



South Carolina Department of Health and
Human Services (SCDHHS)

Actual Acquisition Cost Survey

Mercer Government
Ready for next. Together.

August 25, 2020

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Agenda

What we will cover today



Welcome and
Introductions

Background

Actual Acquisition Cost
(AAC) Survey

Q&A

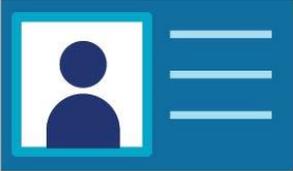
Background

Effective July 15, 2020, SCDHHS updated the standard basis of payment for fee-for-service pharmacy benefit to provide payment at the lowest of:

- The AAC plus a professional dispensing fee (PDF) of \$10.50
- The state's maximum allowable cost plus a PDF of \$10.50
- The usual and customary charges to the general public

This AAC survey process ensures the continuing commitment of SCDHHS in its effort to provide cost effective health services to South Carolina (SC) citizens by routinely evaluating both services and provider payments.

AAC survey

WHY	WHO	HOW	WHAT
			
<p>A prescription drug purchase price survey will validate calculated AAC rates reflect SC pharmacy provider purchasing</p>	<p>A statistically valid sample of SCDHHS participating outpatient pharmacies will be surveyed</p>	<p>Mercer will:</p> <ul style="list-style-type: none">• Administer AAC survey• Conduct statistical analysis• Produce AAC rates for SCDHHS	<p>Results from annual SCDHHS AAC survey will be compared to publicly available AAC and NADAC benchmarks</p>

This survey is not affiliated with Centers for Medicare & Medicaid Services (CMS) National Average Drug Acquisition Cost (NADAC) survey conducted by Myers and Stauffer.

AAC survey

WHEN



The survey collection period is:
September 1–11

HOW



Mercer's survey email box:
SCRxSurvey@mercer.com

AAC survey

Survey purpose

- Establish and maintain an AAC program for generic and brand drug products encouraging efficient purchasing while being responsive to drug pricing fluctuations.
- AAC survey results will be used to compare drug price purchase prices in South Carolina to CMS' NADAC and other State AAC benchmarks.
- AAC rates will be published and effective November 2, 2020.



AAC Survey Notification process

Steps Required if SCDHHS AAC Survey Notification Received

- The AAC survey will be sent to a statistically valid sample of SC pharmacies enrolled in the Medicaid program:
 - If you do not receive a notification, **you do not need to take any action for the AAC survey.**
- Please submit drug purchase price invoice data for the month of **August 2020**:
 - Provider participation and timely response is crucial:
 - Survey information must be received by September 11, 2020.
 - Complete an AAC survey for each SCDHHS participating pharmacy location in your company if more than one location receives is surveyed.
 - Exclude or flag any purchases your pharmacy made under a 340B contract.
 - Required Information should be submitted in an Excel (xls) format:
 - Electronic invoices can be emailed to Mercer at **SCRxSurvey@mercer.com**



AAC Survey

Electronic invoice submission process

- August 2020 drug purchase invoices must be submitted in excel format with the fields listed, in this order:
 - Pharmacy National Provider Identifier (NPI)
 - Purchase Date
 - National Drug Code (NDC)
 - Item Description
 - Package Size
 - Unit of Measure
 - Package Price
 - Net Quantity Filled
 - Extended Price

Please contact your wholesaler for assistance. Alternatively, if your internal system allows you to report on your own invoice activity, please provide in the above order.

Please email your invoices to SCRxSurvey@mercer.com.

AAC Survey

Excel sample

	A	B	C	D	E	F	G	H	I
1	NPI (10 digits)	Purchase Date	NDC (11 digits, no dashes or spaces)	Item Description (Drug Name/Strength)	Package Size (quantity within package -- 100, 90, etc.)	Unit of Measure (ml, gm, ea)	Package Price	Net Quantity Filled (Number of Packages Delivered)	Extended Price (Package Price * Net Quantity Filled)
2									
3									
4									
5									
6									
7									
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Questions



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