NEW YORK STATE | Department of Health

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Reimbursement for Medicaid Fee-for-Service Professional Drug Claims

The pricing benchmarks used to determine the maximum reimbursable amount for drugs billed via professional claim types will be determined by the National Drug Code (NDC) reported on the claim instead of the Healthcare Common Procedure Coding System (HCPCS). Providers are required to report the NDC for all practitioner administered drugs (PADs) billed by a private practitioner to New York State (NYS) Medicaid and for all ordered ambulatory claims billed by clinics.

- **If the NDC is not referenced on a claim, NYS Medicaid will not provide reimbursement for the drug.**
- **The HCPCS units and NDC quantity must be reported separately and must reflect their respective dosage forms.**
    - HCPCS Units: Developed by the Centers for Medicare and Medicaid Services (CMS) for reporting medical procedures and services and specifies the lowest common denominator of the amount of dosage. This denomination is found within the code's description.
    - NDC Quantity: Consist of a 2-character unit of measure (UOM) qualifier and a numerical quantity, required for identifying drug products in claims. The standard units are:
        - EA (Unit/Each): Used for pills, capsules, vials, patches, and kits.
        - ML (Milliliter): Used for liquids, solutions, or suspensions.
        - GR (Gram): Used for ointments, creams, inhalers, or bulk powder.
        - F2 (International Unit): Used for biologics, factor VIII, or products measured in IU/vial.

Please refer to the following chart:

Drug Type	If NADAC is available, reimburse at:	If NADAC is unavailable, reimburse at:
Generics – Multi-Source	**Lower of NADAC, FUL, SMAC, or Acquisition Cost**	**Lower of WAC, FUL, SMAC, or Acquisition Cost**
Brands – Sole or Multi-Source	**Lower of NADAC, FUL, or Acquisition Cost**	**Lower of WAC, FUL, or Acquisition Cost**
340B Purchased Drug	**340B Acquisition Cost**	**340B Acquisition Cost**

Note: Prices used by the Department are reported by First Data Bank (FDB).

State Maximum Allowable Cost (SMAC) prices may be applied when determining the cost of multi source generic drugs. For questions concerning a SMAC price, providers may complete a SMAC Research Request Form.

Categories of Service

The above reimbursement methodology applies only to drugs claimed separately by practitioners. This update applies to the categories of service (COS) listed below:

- **Free Standing or Hospital Based Ordered Ambulatory** (COS 0163 for Clinic Based, COS 0282 for Hospital Based)
- **Physician** (COS 0460)
- **Nurse Practitioner** (COS 0469)
- **Midwife** (COS 0525)
- **Podiatry Services** (COS 0500)

Drugs administered in an in-facility or inpatient setting will continue to be reimbursed at the posted facility rates. This includes, but not limited to, All Patient Refined-Diagnosis Related Groups (APR-DRG) and Ambulatory Patient Groups (APG).

Questions regarding this communication may be directed to NYRx@health.ny.gov.