ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM

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AHCCCS NOTICE OF PUBLIC INFORMATION
INTENT TO SUBMIT A STATE PLAN AMENDMENT (SPA)

Name of the Agency: Arizona Health Care Cost Containment System (AHCCCS)

The topic of the public information notice: Inform the public of AHCCCS intent to submit a State Plan Amendment.

SPA Title: Professional Dispensing Fee Rate and High-Cost Medications

SPA Overview: This SPA updates the professional dispensing fee rate and adds in high-cost medication language.

Tribal Consultation:
AHCCCS consulted with the Tribes regarding this SPA on May 7, 2026. Below is a link to more information regarding the tribal consultation meeting:
https://www.azahcccs.gov/AmericanIndians/TribalConsultation/

State Plan Amendment and Public Comment Period
The proposed SPA is located on the next page of this document.

Public notice was posted on October 30, 2026.

Comments will be accepted through November 30, 2026.

Comments can be submitted through email or postal mail. The addresses where comments may be sent are provided below.

- Email:
  publicinput@azahcccs.gov
- Postal Mail:
  AHCCCS
  Attn: Division of Community Advocacy and Intergovernmental Relations
  150 N. 18th Avenue
  Phoenix, AZ 85007

State: ARIZONA

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES
OTHER TYPES OF CARE

Out-of-State Hospitals

Out-of-state hospitals will be paid for covered outpatient services by applying the outpatient hospital fee schedule and methodology.

Specialty Rates

- **Laboratory Services**

AHCCCS" outpatient hospital fee schedule will not exceed the reimbursement amounts authorized for clinical laboratory services under Medicare as set forth in 42 CFR 447.362. AHCCCS' rates are published on the agency's website at https://www.azahcccs.gov/PlansProviders/RatesAndBilling/FFS/

- **Pharmacy Services**

1. CMS covered outpatient drugs including specialty drugs, that are prescribed by an authorized prescriber and dispensed by a Retail Community, Long-term Care or Specialty Pharmacies, will be reimbursed at the lesser of:
   a. The usual and customary charge to the public, or
   b. The AHCCCS Fee-For-Service's established Maximum Allowable Cost (MAC) for the drug plus a professional dispensing fee, or
   c. The current National Average Drug Acquisition Cost (NADAC) for the drug plus a professional dispensing fee, or
   d. The contracted rates between AHCCCS and the FFS Pharmacy Benefit Manager plus a professional dispensing fee.

All of the above logic will apply to:

1. Drugs Dispensed by an Urban Indian Health Center not participating in the 340B Drug Pricing Program
2. Drugs not dispensed by a Retail Community Pharmacy and dispensed primarily through the mail,
3. 340B entities submitting claims for drugs purchased that are not available for purchase through the 340B Drug Pricing Program.
4. 340B entities dispensing medication to a member and the member is not a patient of the 340B entity.

High-Cost Medications, including but not limited to, legend drugs, gene therapies, biologics and specialty drugs.

High-cost provider and self-administered medications, including those eligible under the reinsurance program, shall be reimbursed, as a direct reimbursement, at the Actual Acquisition Cost (AAC) of the product through the FFS and AHCCCS Contractors' Pharmacy Benefit Managers' online claims adjudication system. The AAC is defined as the lesser of the invoiced cost from the manufacturer/wholesaler or the Wholesale Acquisition Cost of the drug. High-cost medications shall not be purchased under the 340B Drug Pricing Program. This direct reimbursement methodology applies to high-cost medications administered in an outpatient or inpatient setting.

For drugs purchased through the 340B Drug Pricing Program for members who qualify under the 340B program (FR Vol. 61 #207):

1. 340B entities are required to submit 340B claims at their Actual Acquisition Cost (AAC) for physician administered drugs and drugs dispensed to members.
2. The 340B entity shall be reimbursed at the lesser of AAC or the 340B Ceiling Price plus a professional dispensing fee.
3. Drugs acquired through the federal 340B drug pricing program and dispensed by 340B Contract Pharmacies are not covered, unless the AHCCCS Administration has a contractual arrangement or there is a demonstrated need approved by AHCCCS that requires participation by a 340B Entity Contracted Pharmacy.

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State: ARIZONA
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For Federal Supply Schedule purchased drugs, the provider shall be reimbursed at no more than their actual acquisition cost plus a professional dispensing fee.

For drugs purchased at Nominal Pricing, the provider shall be reimbursed at the actual acquisition cost plus a professional dispensing fee.

The professional dispensing fee for all of the above pharmacy reimbursement methodologies is ~~$10.11~~13.20 for CMS Covered Outpatient Drugs including specialty medications, $15.34 for compounded prescriptions when a CMS Covered Outpatient Drug is an ingredient in the compound.

All Indian Health Service and Tribal 638 pharmacies are paid according to the methodology in Attachment 4.19-B "REIMBURSEMENT FOR INDIAN HEALTH SERVICE AND TRIBAL 638 HEALTH FACILITIES" section.