

Texas Medicaid Fee Schedule Information
PHARMACY (Non-DME) DISPENSING FEE

This fee schedule is intended to be used by pharmacies enrolled in the Medicaid/CHIP Vendor Drug Program, which processes out-patient pharmacy prescriptions for Medicaid. For detailed benefits and limitations, providers should refer to the website of the Texas Medicaid/CHIP Vendor Drug Program at <http://www.txvendordrug.com>. The Texas Health and Human Services Commission reimburses contracted Medicaid pharmacy providers according to this formula: Dispensing Fee = (((Estimated Acquisition Cost + Fixed Component) divided by (1 - Variable Component)) - Estimated Acquisition Cost) + Delivery Incentive + Preferred Generic Incentive. The estimated acquisition cost is defined in the Texas Administrative Code Title 1 §355.8541 relating to Legend and Non-legend Medication and §355.8545 relating to Texas Maximum Allowable Cost. The components of the dispensing fee other than the estimated acquisition costs are defined and specified in this fee schedule.

Change Ind: Indicator denoting that the Fee Schedule row has been updated since the last run. 'C' for change; blank for no changes.

	<u>Component</u>	<u>Description</u>	<u>Rate</u>	<u>Effective</u>	<u>Change Ind</u>
Fixed		A component that provides the base reimbursement to a pharmacy for the cost of dispensing a prescription; it includes reimbursement for professional services costs and overhead costs.	\$6.50	9/1/2011	
Variable		A component that is expressed as a percentage of the estimated acquisition cost, and provides an incentive to a pharmacy to stock and dispense higher-cost drugs by covering additional expenses incurred when providing those drugs.	1.96%	2/1/2011	
Delivery Incentive		An incentive for offering no-charge prescription delivery to all Medicaid recipients.	\$0.15	9/1/1997	
Preferred Generic Incentive		An incentive to fill a Medicaid prescription with a premium preferred generic drug for which a drug manufacturer has agreed to pay a supplemental rebate.	\$0.50	12/1/2004	