

TennCare – Cost of Dispensing Survey

Final Report Summary

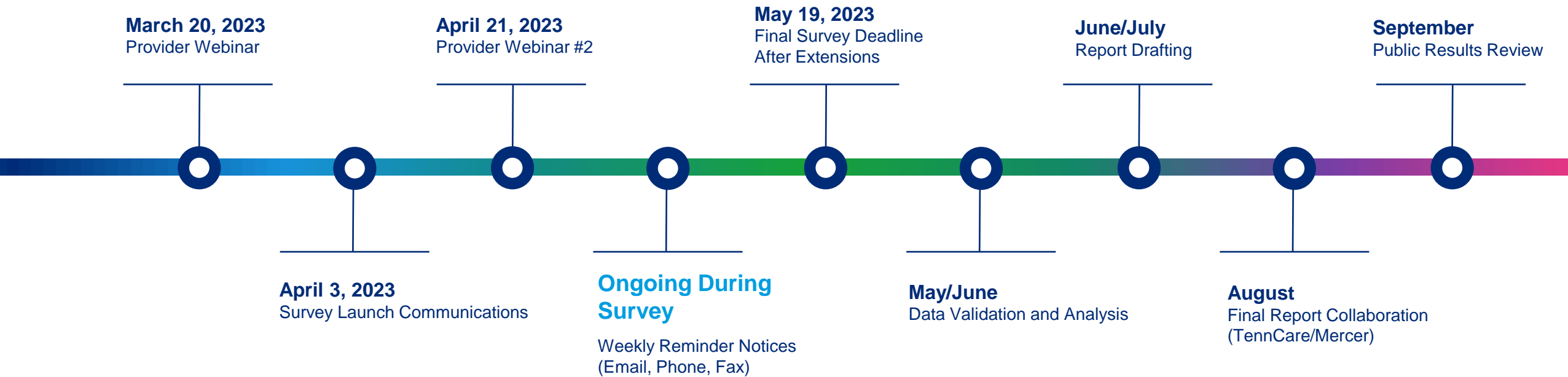
September 28, 2023

A business of Marsh McLennan

1. Survey Overview
2. Survey Results
3. Next Steps
4. Questions

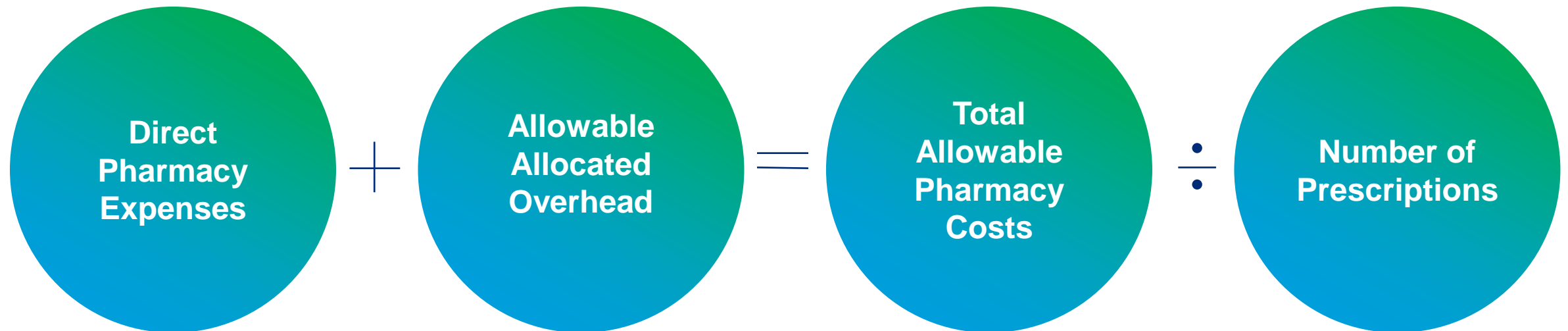
Agenda

Cost of Dispensing Survey Timeline



Cost of Dispensing Survey

Methodology



- Payroll for pharmacy staff
- Non-personnel costs

- Allowable facility costs as a percentage of square footage
- Allowable other expenses allocated as a percentage of sales

Survey Response Rate Summary

Response Rate

Survey Population	1,893 Pharmacies
Total Responses	1,376 (72.7%)
Usable Responses	1,167 (61.6%)
Unusable Responses	209

**Cost of
Dispensing
Survey**

Survey Results

Ambulatory

0–64,999 Prescriptions

Current: \$11.98
Updated: \$13.16

65,000+ Prescriptions

Current: \$8.37
Updated: \$9.02

**Cost of
Dispensing
Survey**

Survey Results

LTC and 340B

LTC

Current: \$11.98
Updated: \$13.16

340B

Current: \$15.40
Updated: \$16.92

**Cost of
Dispensing
Survey**

Survey Results

Specialty	
Non-blood Factor	Current: \$45.94 Updated: \$52.46
Blood Factor	Current: \$172.69 Updated: No change

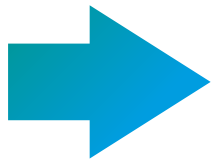
Cost of Dispensing Survey

Non-Responder's Policy

Policy Overview

TennCare surveys (AAAC and COD) are **mandatory for all network participants** to ensure accurate pharmacy reimbursement rates.

To motivate network pharmacies to complete both surveys, **TennCare has introduced a lowered PDF penalty** when mandatory survey participation is not met.



Starting November 1, 2023, pharmacies that have not responded to three or more TennCare surveys in the past will have their PDF set at \$5.

TennCare Mandatory Surveys

Non-Responder's Policy

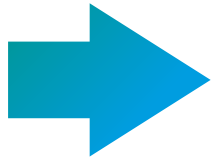
Policy Overview

Pharmacies who **failed to respond** to 3 or more surveys

\$5.00 Dispensing Fee

Applies only to non-specialty and non-compounded products

Pharmacies that completed the current cost of dispensing survey had their previous misses cleared.



Impacted pharmacies can revert to their standard PDF (based on pharmacy type/prescription count), by successfully completing the next TennCare survey.

TennCare Mandatory Surveys

Next Steps

1

TennCare will submit these changes in a State Plan Amendment (SPA) to CMS

2

CMS review and approval can take up to 90 days

3

TennCare anticipates implementing the changes effective November 1, 2023, contingent on CMS's approval



What to Expect

Upcoming Events

This webinar recording and the webinar slides will be posted to the survey website by late next week.

<https://ghscapps.mercer.com/tenncarepharmacy/>

Pharmacies can expect to start receiving letters next week.

For Questions/Concerns Contact

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Questions



