

9.51 Dispensing Fee

		Brand Reimbursement				
		Current ¹	AAC + 0%	AAC + 1%	AAC + 3%	AAC + 5%
Generic Reimbursement	Current ¹	\$951,279,994	N/A	N/A	N/A	N/A
	AAC + 50%	N/A	\$930,527,523	\$936,968,963	\$948,069,666	\$959,170,390
	AAC + 40%	N/A	\$925,918,161	\$932,359,601	\$943,460,304	\$954,561,028
	AAC + 30%	N/A	\$921,140,350	\$927,581,790	\$938,682,493	\$949,783,217

Current¹ - includes estimated legend (brand and generic) and OTC ingredient reimbursement and 5.77 dispensing fee.

10.13 Dispensing Fee

		Brand Reimbursement				
		Current ¹	AAC + 0%	AAC + 1%	AAC + 3%	AAC + 5%
Generic Reimbursement	Current ¹	\$951,279,994	N/A	N/A	N/A	N/A
	AAC + 50%	N/A	\$937,545,672	\$943,987,112	\$955,087,815	\$966,188,539
	AAC + 40%	N/A	\$932,936,310	\$939,377,750	\$950,478,453	\$961,579,177
	AAC + 30%	N/A	\$928,158,499	\$934,599,939	\$945,700,642	\$956,801,366

Current¹ - includes estimated legend (brand and generic) and OTC ingredient reimbursement and 5.77 dispensing fee.

Louisiana Department of Health and Hospitals
Estimated Total Annual Drug Expenditures due to Program Changes

Notes:

* Claims based on Louisiana legend claims data with dispensed dates between 04/1/2010 and 03/31/2011.

Limitations to analysis:

*Estimated current and modeled expenditures were based on units dispensed. Units dispensed were multiplied by the expected current reimbursement rate (Brand - EAC, Generic (lower of EAC, FUL and LMAC) and (Insulin products - AWP + 50%) to determine current reimbursement. Units dispensed were multiplied by the modeled reimbursement rates to determine modeled reimbursement. Actual submitted charges and amounts paid were not considered.

*Claims that appeared to have paid at usual and customary (amount billed = amount paid) were excluded from the ingredient analysis on the assumption that a reduction in the reimbursement would not affect the claim payment amount.

*The modeled reimbursement for insulin products is included with brand reimbursement and includes the following reimbursement options: (AAC + 0%), (AAC + 1%), (AAC + 3%) and (AAC + 5%).

*The modeled reimbursement for OTC products is included with generic reimbursement and includes the following reimbursement options: (AAC + 50%), (AAC + 40%) and (AAC + 30%).

*All claims were considered for the dispensing fee analysis. The number of unique claims was multiplied by the current and modeled dispensing fees to determine estimated expenditures for each option.