



DATE: January 9, 2023
TO: Commonwealth of Kentucky Medicaid Pharmacy Network
FROM: MedImpact Healthcare Systems

Subject: **National Average Drug Acquisition Cost (NADAC) Reimbursement – Reminder**

Status: NADAC prices for brand name products increase throughout the year, with most price increases occurring in the months of January and July because of drug manufacturers increasing their Wholesale Acquisition Cost (WAC) and Average Wholesale Price (AWP) prices. MedImpact would like to provide a review of the NADAC process and the ability to potentially reverse and reprocess claims on products which providers' acquisition cost may have increased. This information is publicly available on the CMS website.¹

- MedImpact reimburses providers as required, according to the Kentucky Department of Medicaid Services (DMS) fee-for-service (FFS) reimbursement methodology. The FFS methodology includes the NADAC benchmark at which most claims reimburse. The NADAC is a published pricing benchmark maintained by the Centers for Medicare & Medicaid Services (CMS), not MedImpact or DMS; therefore, neither MedImpact nor DMS have the capability to adjust the NADAC price. NADAC updates are posted to the CMS website every Wednesday.
 - Updated brand NADAC prices are typically reflective of increases in WAC and AWP for the previous week.
- Drug Compendia (e.g.: First Databank and Medi-Span) pull down the updated NADAC file and incorporate the changes into their Medicaid Pricing Modules.
- Updated weekly NADAC prices are then loaded into MedImpact's claim adjudication system the following Friday.
- NADAC prices are reviewed for updates on both a weekly and monthly schedule – Weekly due to changes in published rates (i.e., WAC)

Providers can see the most up-to-date NADAC prices on the CMS website which is linked below. Website users may track changes inclusive of the updated NADAC price and effective date. For brand products, **compendia posted updated NADAC price(s) may be backdated to the effective date of the WAC or AWP increase.**

¹ [June 28 Webinar, Center for Medicaid and CHIP Services, Draft Methodology for Calculating the National Average Drug Acquisition Cost \(NADAC\)](#)



To identify updated NADAC price changes please see below.

- Click on the CMS Pharmacy Pricing Page: [Pharmacy Pricing: Medicaid](#)
- Scroll to the NADAC Cost Comparison Data Section
- Click on the most recent weekly NADAC Comparison downloadable files. The file identifies what NADAC prices have been updated, the new and old NADAC price along with the effective date. Field values in this file are described below.

NADAC File Name	Field Description
NADAC Effective Date	The date the NADAC price becomes effective; typically, retroactive to the date of the WAC change.
As of Date	The date the NADAC price was updated by Myers & Stauffer (M&S); aligns with the weekly (Wednesday) M&S maintenance cycle.

Providers who feel they may have adjudicated claims prior to the NADAC prices being updated should review posted NADAC rates along with your product invoices. Changes related to these manufacturer increases may impact your reimbursement for newly purchased inventory.

Please note: This notice is not a guarantee of updated NADAC prices or of changes in reimbursement following reversal and resubmission of claims. Reversal and resubmission of claims is not without risk due to other potential members or program changes.

Should you have any additional questions or concerns regarding NADAC pricing we advise providers to contact the CMS NADAC vendor, Myers, and Stauffer via email info@mslcrps.com or toll-free help desk phone number (855) 457-5264.

Contact Information:

Program Questions	KYMCOPBM@MedImpact.com
Pharmacy Help Desk	(800) 210-7628 [24 hours per day/ 7 days per week]
Prior Authorizations	Phone (844) 336-2676 [8:00AM - 7:00PM EST/ 7 days per week] Fax (858) 357-2612
Pharmacy Portal	https://kyportal.medimpact.com/
BIN: 023880 / PCN: KYPROD1 / GROUP: KYM01	