

# TennCare – Cost of Dispensing Survey

Final Report Summary

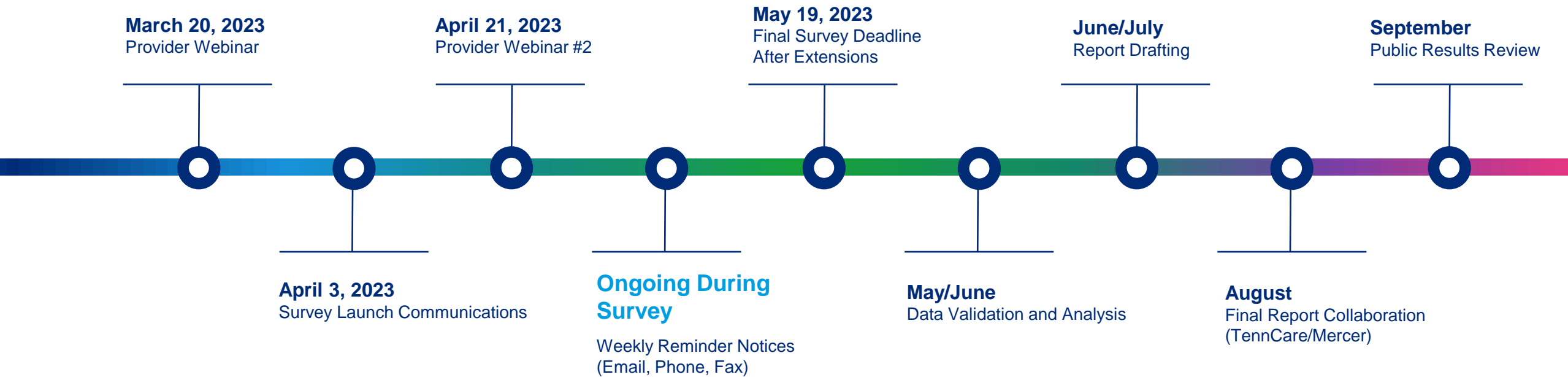
September 28, 2023

A business of Marsh McLennan

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

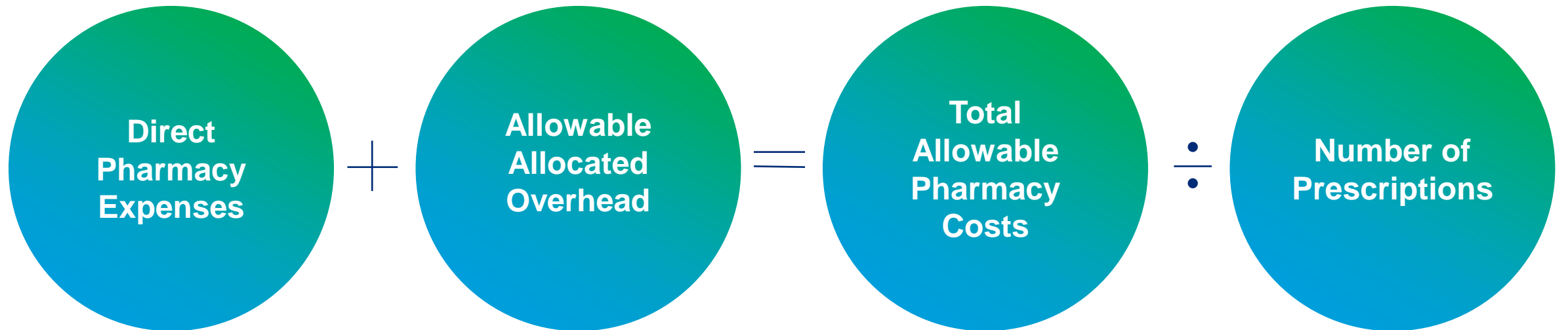
# Agenda

# 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	<b>1,893</b> Pharmacies
Total Responses	<b>1,376</b> (72.7%)
Usable Responses	<b>1,167</b> (61.6%)
Unusable Responses	<b>209</b>

**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**

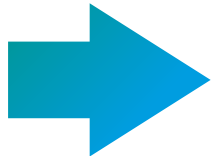


# Non-Responder's Policy

## 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

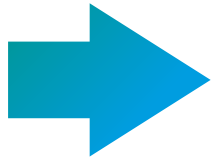
## Policy Overview

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

Lora S. Underwood, PharmD, BCPS  
Director of Pharmacy Operations

**Telephone:** +1 615 507 6415  
**Email:** [lora.underwood@tn.gov](mailto:lora.underwood@tn.gov)



# Questions



