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Newsletter

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TO: Providers of Pharmaceutical Services - **For Action**
Health Maintenance Organizations – **For Information Only**

SUBJECT: **AWP Settlement**

PURPOSE: To notify pharmacies of a State decision to compensate pharmacies for any reduction in claim payments for prescription drugs resulting from the First Data Bank (FDB)/Average Wholesale Price (AWP) Lawsuit Settlement.

EFFECTIVE: Claims with service dates on or after September 26, 2009

BACKGROUND: The FDB/AWP lawsuit is now settled. The lawsuit originated in 2006 involving FDB and the McKesson Corporation whereby they were accused of improperly setting the AWP for 95% of all retail drugs. The Settlement, effective September 26, 2009, establishes a new standard for calculating the AWP not to exceed 120 percent of the Wholesale Acquisition Cost (WAC). AWP's priced using "mark ups" greater than 120 percent of WAC have been re-priced to not exceed this new standard.

To provide pharmacies opportunities to adjust to the new AWP standard, pharmacies will continue to receive the same level of reimbursement they received prior to September 26, 2009, through June 30, 2010.

ACTION: Pharmacy claims with service dates on or after September 26, 2009 and prior to July 1, 2010 will continue to be priced using pre-Settlement "mark ups" to calculate AWP's.

If any questions regarding this Newsletter, please contact Unisys Provider Services at (800) 776-6334.

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