



A **xerox** Company

California MMIS  
ACS, A Xerox Company  
820 Stillwater Road  
West Sacramento, CA 95605

[www.acs-inc.com](http://www.acs-inc.com)

April 17, 2012

Dear Pharmacy Provider,

**Subject: Adjustment of Claims for Average Wholesale Price (AWP) Changes**

First Databank (FDB) is currently the Department of Health Care Services' (DHCS) primary price reference source vendor. FDB ceased publishing Average Wholesale Price (AWP) in its National Drug Data File (NDDF) on September 28, 2011.

On June 28, 2011, Governor Edmund G. Brown Jr. signed Assembly Bill 102 (Chapter 29, Statutes of 2011), the Health Trailer Bill, which provided authority to DHCS to establish a process with the primary price reference source vendor to temporarily report the AWP consistent with the definition of AWP in California *Welfare and Institutions Code (W&I Code)* Section 14105.45.

The new AWP reporting process had not been established prior to September 28, 2011, consequently pharmacy reimbursement was based on the most recent pricing data available in the claims processing system, until such time the continued reporting of AWP was re-established. For newly added National Drug Codes (NDCs), reimbursement was set at \$0.01 to prevent providers from having their claims denied.

The Department of Health Care Services (DHCS) has instructed ACS to update the Medi-Cal claims processing system with the alternative pricing amounts for new NDCs added between September 1, 2011 and March 9, 2012. Claims for these NDCs were previously price at \$0.01 per Unit. This is only one of two adjustments related to AWP Changes.

No action is required on your part. ACS is adjusting at this time only those affected paid claims processed from September 1, 2011 through March 14, 2012 and were paid at \$0.01per Unit. Adjustments will appear on Remittance Advice Details (RADs) beginning April 19, 2012 with RAD code **0883: Retroactive Price Correction**.

If you disagree with any of these adjustments, you may submit a *Claims Inquiry Form* (CIF) within six months of the new RAD date. For CIF completion instructions, please refer to the *CIF Completion and CIF Special Billing Instructions* sections in the appropriate Part 2 manual or on the Medi-Cal website ([www.medi-cal.ca.gov](http://www.medi-cal.ca.gov)).

If you have questions, please call the Telephone Service Center (TSC) at 1-800-541-5555 option 11, followed by option 17.

Sincerely,

*Stephanie Oakes*

Stephanie Oakes  
Director, Provider Relations  
California MMIS  
ACS, A Xerox Company

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