

PROGRAM DESCRIPTION

Department: Social Services

HB Section(s): 11.710

Program Name: Pharmacy Reimbursement Allowance (PFRA) Payments

Program is found in the following core budget(s): PFRA

1a. What strategic priority does this program address?

Access to safe and effective medications

1b. What does this program do?

Funds from this core are used to provide enhanced dispensing fee payment rates using the Pharmacy Reimbursement Allowance under the Title XIX of the Social Security Act as a General Revenue equivalent. Pharmacies are assessed a provider tax for the privilege of doing business in the state. The assessment is a general revenue equivalent, and when used to make valid Medicaid payments, can earn federal Medicaid matching funds. These earnings fund pharmacy expenditures in the MO HealthNet program.

The pharmacy tax was established in 2002. The tax is assessed on gross prescription receipts of all pharmacies in the state. In FY22, 1,271 pharmacy facilities were assessed, and 1,256 pharmacy facilities participated in the MO HealthNet program. The assessments in FY22 were \$47.3 million.

SFY21 Tax Rates	
Effective Date	PFRA Rate
07/01/2020-06/30/2021	1.40%

SFY22 Tax Rates	
Effective Date	PFRA Rate
07-01-2021-09-30-2021	0.44%
10-01-2021-06-30-2022	0.63%

SFY23 Tax Rates	
Effective Date	PFRA Rate
07/01/2022-06/30/2023	0.37%

The PFRA program has been reauthorized by the General Assembly through September 30, 2024.

This program is exempt from performance measures as it is an accounting mechanism.

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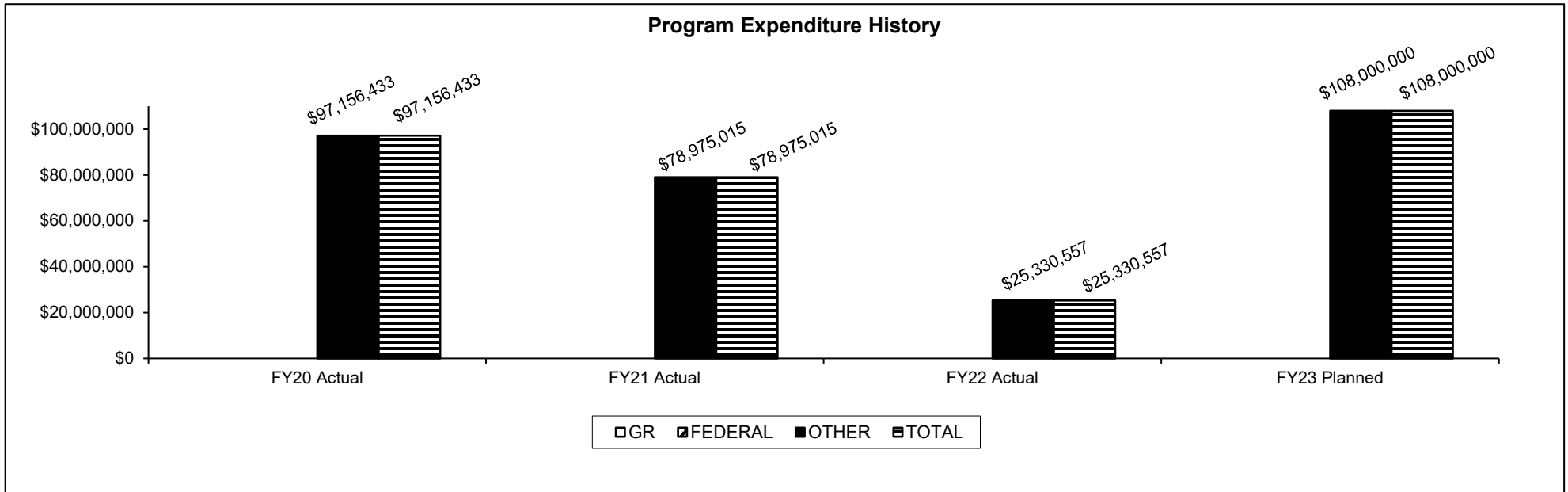
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3. Provide actual expenditures for the prior three fiscal years; planned expenditures for the current fiscal year. (Note: Amounts do not include fringe benefit costs.)



4. What are the sources of the "Other " funds?

Pharmacy Reimbursement Allowance Fund (0144)

5. What is the authorization for this program, i.e., federal or state statute, etc.? (Include the federal program number, if applicable.)

Missouri statute: Section 338.500, RSMo. Federal law: Social Security Act Section 1903(w). State Regulation: 13 CSR 70-20. Federal Regulation: 42 CFR 433 Subpart B.

6. Are there federal matching requirements? If yes, please explain.

The FMAP (Federal Medical Assistance Percentage) fluctuates annually based on state and national economic and population data, but generally the state matching requirement is around 35% and the federal match is around 65%.

7. Is this a federally mandated program? If yes, please explain.

No.