DRAFT NADAC Data Field Definitions

NDC Description: Identifies the drug, strength and dosage form of the drug product.

NDC: List of all covered outpatient drug NDCs that are included in the drug group for which the NADAC was calculated. This list is inclusive of covered outpatient NDCs at the time of file creation.

NADAC: The national average drug acquisition cost.

Pharmacy Type Indicator: The source of pharmacy survey data used to calculate the NADAC. ' C/I' indicates data was collected from surveys of Chain/Independent pharmacies. Other pharmacy type indicators such as 'S' for Specialty pharmacies will not be used at this time.

OTC: Indicates whether or not the NDC is for an OTC product ("Y" or "N").

Date: Reflects the posting date for the monthly update file or the effective date of the change due to published pricing or a help desk call.

Explanation Code: This column describes how the NADAC was calculated, see explanation code description below.

- Code 1: The NADAC was calculated using information from the most recently completed pharmacy survey.

- Code 2: The average acquisition cost of the most recent survey was within ± 2% of the current NADAC; therefore, the NADAC was carried forward from the previous file.

- Code 3: The NADAC based on survey data has been adjusted to reflect changes in published pricing, or as a result of a provider inquiry to the help desk.

- Code 4: The NADAC was carried forward from the previous monthly file due to the inability to calculate an updated NADAC based on acquisition costs collected during most recent survey.

- Code 5: The NADAC was calculated based on package size.

- Code 6: The CMS Outpatient Covered File drug category type of 'S/I/N' (Single Source/Innovator/Non-Innovator) has not been applied. Most 'S/I' drugs with the same strength, dosage form and route of administration were grouped together for the purpose of the NADAC calculation and 'N' drugs were also grouped together. In some cases, however, in calculating a NADAC, the CMS 'S/I/N' designation was not applied when the State Medicaid brand or generic payment practices for these drugs generally differed from the Covered Outpatient File designation.

For example, authorized generic drugs are appropriately listed in the CMS covered outpatient drug file as 'I' drugs for the purpose of rebates as they were approved under a New Drug Application (NDA). However, they are grouped as 'N' for the NADAC calculation since they are generally designated as generic by most State Medicaid programs for the purposes of reimbursement. Another example of this occurrence is when proprietary named drugs, approved under an Abbreviated New Drug Application(ANDA) are appropriately in the CMS Covered Outpatient Drug file as 'N' for the purpose of rebates. However they are grouped as 'S/I' for the NADAC calculation since they are generally reimbursed as brand drugs by State Medicaid programs.

- Codes 7 through 10: Reserved for future use.

Update: Indicates whether or not NADAC was updated from the previous file, ("Y" or "N").