How Washington Medicaid Calculates Weighted Average Daily Cost for Daily Dosed Maintenance Drugs

ADC Calculation for daily dosed maintenance drugs

1. For each NDC (regardless of utilization) calculate Gross price per unit cost per Medicaid pricing algorithm (lesser of MAC or discounted AWP)
2. Calculate Net State Unit rebate amount = Unit Rebate Amount – Unit Rebate Offset Amount (State Portion of Federal Rebate)
3. Calculate Net Per unit cost = Gross Price Per Unit – Net State Unit Rebate Amount.
4. Calculate average daily dose = Units dispensed / Days supply
5. Calculate average daily cost = Net Per unit cost * Average Daily Dose
6. Calculate a weighted average daily cost
    a. Sum up the total number of days for each drug, dosage form, and Label name combination.
    b. Calculate the NDC fraction, divide days supply for each NDC in a drug, dosage form, and Label name combination by the total days supply for that drug, dosage form, label name combination.
    c. For each NDC, multiply its average daily cost calculated in #5 by the NDC fraction calculated in 6b
    d. Sum the amounts in 6c for the brand and generic products separately to determine the weighted average daily cost for brand/generic products within each drug, dosage form, label name combination.

Note: For obsolete NDC's, proportionately shift utilization from obsolete products to non-obsolete products within the same drug and dosage form.

NDC_CODE	DRUG / FORM	LABEL_NAME	QTY DISP	DAYS SUPPLY	URA	UROA	MAC	AWP	% AWP Reimbursement	AWP * Discount	1: Gross Unit cost	2: Net State Rebate Amount	3: Net Unit Cost	4: DAILY DOSE	5: NET DAILY COST	6b: NDC Fraction	6c: Weighted ADC
99999123411	LOSARTAN POTASSIUM TAB	BRAND X	90	90	$ 1.00	$ 0.25	$ 0.14	$ 3.80	0.84	$ 3.19	$ 3.19	$ 0.75	$ 2.44	1.0	$ 2.44	0.01	$ 0.02
99999123412	LOSARTAN POTASSIUM TAB	BRAND X	1,620	1,620	$ 1.00	$ 0.25	$ 0.14	$ 3.94	0.84	$ 3.31	$ 3.31	$ 0.75	$ 2.56	1.0	$ 2.56	0.14	$ 0.35
99999123413	LOSARTAN POTASSIUM TAB	BRAND X	3,269	3,029	$ 1.00	$ 0.25	$ 0.14	$ 3.94	0.84	$ 3.31	$ 3.31	$ 0.75	$ 2.56	1.1	$ 2.77	0.25	$ 0.70
99999123414	LOSARTAN POTASSIUM TAB	BRAND X	120	120	$ 1.00	$ 0.25	$ 0.14	$ 3.94	0.84	$ 3.31	$ 3.31	$ 0.75	$ 2.56	1.0	$ 2.56	0.01	$ 0.03
99999123415	LOSARTAN POTASSIUM TAB	BRAND X	135	90	$ 1.00	$ 0.25	$ 0.08	$ 2.15	0.84	$ 1.81	$ 1.81	$ 0.75	$ 1.06	1.5	$ 1.59	0.01	$ 0.01
99999123416	LOSARTAN POTASSIUM TAB	BRAND X	2,264	2,068	$ 1.00	$ 0.25	$ 0.08	$ 2.15	0.84	$ 1.81	$ 1.81	$ 0.75	$ 1.06	1.1	$ 1.16	0.17	$ 0.20
99999123417	LOSARTAN POTASSIUM TAB	BRAND X	2,912	1,652	$ 1.00	$ 0.25	$ 0.08	$ 2.15	0.84	$ 1.81	$ 1.81	$ 0.75	$ 1.06	1.8	$ 1.87	0.14	$ 0.26
99999123418	LOSARTAN POTASSIUM TAB	BRAND X	1,140	1,185	$ 1.00	$ 0.25	$ 0.10	$ 2.90	0.84	$ 2.43	$ 2.43	$ 0.75	$ 1.68	1.0	$ 1.62	0.10	$ 0.16
99999123419	LOSARTAN POTASSIUM TAB	BRAND X	1,509	1,389	$ 1.00	$ 0.25	$ 0.10	$ 2.90	0.84	$ 2.43	$ 2.43	$ 0.75	$ 1.68	1.1	$ 1.83	0.12	$ 0.21
99999123420	LOSARTAN POTASSIUM TAB	BRAND X	690	690	$ 1.00	$ 0.25	$ 0.10	$ 2.90	0.84	$ 2.43	$ 2.43	$ 0.75	$ 1.68	1.0	$ 1.68	0.06	$ 0.10
	LOSARTAN POTASSIUM TAB	**BRAND X**		**11,933**													**$ 2.04**
77777456712	LOSARTAN POTASSIUM TAB	LOSARTAN POTASSIUM	180	180	$ 0.05	$ 0.01	$ 0.14	$ 3.08	0.50	$ 1.54	$ 0.14	$ 0.04	$ 0.10	1.0	$ 0.10	0.00	$ 0.00
77777456713	LOSARTAN POTASSIUM TAB	LOSARTAN POTASSIUM	1,110	990	$ 0.05	$ 0.01	$ 0.14	$ 3.08	0.50	$ 1.54	$ 0.14	$ 0.04	$ 0.10	1.1	$ 0.11	0.01	$ 0.00
66666789434	LOSARTAN POTASSIUM TAB	LOSARTAN POTASSIUM	12,440	11,630	$ 0.05	$ 0.01	$ 0.14	$ 3.08	0.50	$ 1.54	$ 0.14	$ 0.04	$ 0.10	1.1	$ 0.10	0.17	$ 0.02
55555632145	LOSARTAN POTASSIUM TAB	LOSARTAN POTASSIUM	2,304	1,884	$ 0.05	$ 0.01	$ 0.08	$ 1.68	0.50	$ 0.84	$ 0.08	$ 0.04	$ 0.04	1.2	$ 0.05	0.03	$ 0.00
44444858534	LOSARTAN POTASSIUM TAB	LOSARTAN POTASSIUM	5,379	4,674	$ 0.05	$ 0.01	$ 0.08	$ 1.68	0.50	$ 0.84	$ 0.08	$ 0.04	$ 0.04	1.2	$ 0.04	0.07	$ 0.00
33333564879	LOSARTAN POTASSIUM TAB	LOSARTAN POTASSIUM	60	60	$ 0.05	$ 0.01	$ 0.08	$ 1.68	0.50	$ 0.84	$ 0.08	$ 0.04	$ 0.04	1.0	$ 0.04	0.00	$ 0.00
22222321585	LOSARTAN POTASSIUM TAB	LOSARTAN POTASSIUM	45	30	$ 0.05	$ 0.01	$ 0.10	$ 2.42	0.50	$ 1.21	$ 0.10	$ 0.04	$ 0.06	1.5	$ 0.09	0.00	$ 0.00
11111555578	LOSARTAN POTASSIUM TAB	LOSARTAN POTASSIUM	6,202	5,359	$ 0.05	$ 0.01	$ 0.10	$ 2.26	0.50	$ 1.13	$ 0.10	$ 0.04	$ 0.06	1.2	$ 0.07	0.08	$ 0.01
12345659871	LOSARTAN POTASSIUM TAB	LOSARTAN POTASSIUM	52,697	44,070	$ 0.05	$ 0.01	$ 0.10	$ 2.26	0.50	$ 1.13	$ 0.10	$ 0.04	$ 0.06	1.2	$ 0.07	0.64	$ 0.04
	LOSARTAN POTASSIUM TAB	**LOSARTAN POTASSIUM**		**68,877**													**$ 0.07**

Example