



DAW 1 Coding and Reimbursement Rates

March 4, 2022

During the 180-Day Transition Period

Retroactive to January 1, 2022, a Multisource Brand (MSB) claim identified with a Dispense as Written 1 (DAW 1) will be reimbursed at the brand-name price if the beneficiary claim history includes either of the following:

- A paid claim for the same brand-name drug.
- An active prior authorization (PA) for the same brand-name drug.

If there is no beneficiary claim or PA history for the medically necessary brand-name drug, the pharmacy or prescriber may submit a clinical PA justifying the medical need for the brand-name product—as opposed to a less costly generic alternative—for approval of the medically necessary brand-name drug. If the clinical PA is approved, the claim will pay at the brand-name price for the duration of the PA effective date.

Per this policy change, a Prior Authorization Type Code value equal to 1 is no longer required for a medically necessary brand-name drug PA to pay at the brand-name price. In addition, there will be no edits on the use of any other DAW code.

Claims previously paid at a nonbrand price may be reversed and resubmitted if the member has a current PA on file or a history of the same brand product.

Post-Transition Period

Effective July 1, 2022, a prescriber or pharmacy will need to submit a clinical PA for the medically necessary brand-name drug in order for it to be reimbursed or continue to be reimbursed at the brand-name price. If the PA is approved, the claim will be reimbursed based on the brand-name price for the duration of the PA effective date.