

Senior Services News



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TO: Providers of Pharmaceutical Services- **For Action**
Physicians, Advanced Practice Nurse Services and Nurse
Midwifery Services - **For Information**

SUBJECT: To notify pharmacy providers of the changes to the
Pharmaceutical Assistance to the Aged and Disabled (PAAD) and
Senior Gold (SG) Prescription Discount Program.

EFFECTIVE: Claims with service dates on or after August 1, 2009

BACKGROUND: Effective July 1, 2009, the State FY10 Appropriations Act requires
the following changes to the PAAD and Senior Gold Programs.

Excluded drugs:

Effective August 1, 2009, PAAD and SG programs will no longer cover medications that are excluded by Medicare Part D regulations except for benzodiazepines and barbiturates. Medications excluded from the coverage are the drugs to treat impotency, cosmetic drugs (e.g. drugs to treat skin conditions, obesity, anorexia and hair loss), cough and cold products and vitamins. These drugs will not be covered for any PAAD/SG beneficiary regardless of their primary coverage.

Medicare Part D non-formulary drugs:

Effective August 1, 2009, PAAD and SG will only provide wrap around benefits for medications paid for by the Medicare Part D Prescription Drug Plans. Beneficiaries are required to switch to a formulary medication or have their physician request a formulary exception due to medical necessity. PAAD/SG will no longer provide an override to cover the medication during the appeal process.

Effective for pharmacy claims with service dates on or after July 1, 2009:

Reimbursement for all brand and generic legend and non legend drug ingredient costs is determined by the lower of the Average Wholesale Price (AWP) less a volume discount of 16 percent or the Federal Funds Participation Upper Limit (FFPUL) (a/k/a the MAC price).

If you have any questions concerning this Newsletter, please contact the PAAD program toll free at 1-866-854-1596.

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