



State of New Jersey
Department of Human Services
Division of Medical Assistance & Health Services

NEWSLETTER

Volume 13 No. 64

September 2003

TO: Providers of Pharmaceutical Services, Physicians, Nurse Practitioners, Clinical Nurse Specialists, Podiatrists, Dentists, Optometrists, Nurse-Midwives, Federally Qualified Health Centers, Independent Clinics - **For Action**
Health Maintenance Organizations - **For Information Only**

SUBJECT: **Change in State Policy for Mandatory Generic Substitution of Brand-Name Multi-Source Drugs- Poster**

EFFECTIVE: **Immediately**

PURPOSE: To request that the above providers post the attached announcement within their place of business

BACKGROUND: The New Jersey Division of Medical Assistance and Health Services (DMAHS) previously sent out Newsletters (dated July 2003, Volume 13, No 49 and Volume 13, No. 50), notifying providers of fee-for-service (FFS) pharmaceutical services of a change in state policy concerning prescription coverage of brand-name multi-source drugs that may be substituted generically.

The Newsletters advised, in accordance with the State Fiscal Year (SFY) 2004 Appropriations Act, that, with limited exceptions, the prescribing and dispensing of brand-name multi-source drugs for Work First New Jersey /General Assistance (WFNJ/GA), NJ FamilyCare/Medicaid, Pharmaceutical Assistance to the Aged and Disabled (PAAD), Senior Gold (SG), and AIDS Drug Distribution Program (ADDP) FFS pharmacy claims with service dates on or after July 8, 2003, required prior authorization from the New Jersey Division of Medical Assistance and Health Services (DMAHS) or the New Jersey Department of Health and Senior Services (DHSS).

The newsletter also advised that a pharmaceutical provider must provide an authorization number with each prescription and that without this number, a pharmacy may only dispense up to a 10-day supply of a brand drug until authorization is obtained.

Please find attached a poster, which may be displayed at your place of business that briefly explains for beneficiaries this change in State policy concerning prescription coverage of brand-name multi-source drugs that may be substituted generically.

Please note that, as described in Newsletter Volume 13, No. 59, effective for claims with service dates on or after September 1, 2003, all prescription drugs prescribed for non-dually eligible (Medicaid, no Medicare) ABD beneficiaries enrolled in managed care shall be eligible for Medicaid FFS reimbursement. Therefore, as of October 1, 2003, these beneficiaries will also be included in the group of beneficiaries whose prescribing and dispensing requires prior authorization.

If you have any questions regarding this Newsletter, please contact the Office of Utilization Management at (609) 588-2718.

**RETAIN THIS NEWSLETTER NUMERICALLY BEHIND THE NEWSLETTER TAB
(BLUE TAB MARKED "5")**



MEDICAID/ NJ FAMILYCARE/ADDP PAAD/SENIOR GOLD PHARMACY BENEFITS

Mandatory Generic Prescription Drugs

Starting on October 1, 2003, new rules will apply for Fee-for-Service beneficiaries, as well as for managed care enrollees who receive their drugs outside of their HMO. The new rules require your doctor to request authorization from the State when prescribing a brand drug when the generic drug can be used. Your doctor must provide an authorization number with your prescription. Without this number, your pharmacy may only dispense up to a 10-day supply of brand drug until authorization is obtained. Some exceptions may apply.

If you have any questions, contact First Health Services at 1-877-266-3589.