



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

NEWSLETTER

Volume 15 No. 11

August 2005

TO: Physicians, Advance Practice Nurses, Midwives, Independent Clinics - **For Action**
Health Maintenance Organizations - **For Information Only**

SUBJECT: **Change in Medicaid Reimbursement for Practitioner-Administered Drugs**

EFFECTIVE: Claims with service dates on or after July 1, 2005

PURPOSE: The purpose of this Newsletter is to notify Physicians, Advance Practice Nurses, Nurse-Midwives and Independent Clinics of a change in Medicaid reimbursement for practitioner-administered drugs, as required by the State Fiscal Year 2006 Appropriations Act.

BACKGROUND: For claims with service dates prior to July 1, 2005, Medicaid reimbursement for practitioner-administered drugs is the lower of a drug's Average Wholesale Price (AWP) or a practitioner's acquisition cost.

The State Fiscal Year 2006 Appropriations Act has reduced Medicaid reimbursement for practitioner-administered drugs for claims with service dates on or after July 1, 2005. This policy change ensures that Medicaid reimbursement for drugs administered by a practitioner will be the same as for drugs received as a pharmacy service.

ACTION: Effective for claims with service dates on or after July 1, 2005, reimbursement for practitioner-administered drugs (Level II HCPCS codes) shall be the lower of a drug's AWP less 12.5% or the practitioner's acquisition cost. Reimbursement for practitioner-administered vaccines is not affected by this policy change.

If you have any policy questions concerning this Newsletter, please contact Unisys Provider Services at 1-800-676-6562.

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