



Newsletter

Volume 15 No. 12

September 2005

- TO:** Providers of Pharmaceutical Services - **For Action**
Health Maintenance Organizations - **For Information Only**
- SUBJECT:** Changes in Pharmacy Coverage and Reimbursement for all State Pharmacy Benefit Programs
- EFFECTIVE:** Claims with service dates on or after July 1, 2005
- PURPOSE:** To notify pharmacies of changes in coverage and reimbursement for prescription drugs provided by all State pharmacy benefit programs due to adoption of the State Fiscal Year (SFY) 2006 Appropriations Act.
- BACKGROUND:** The State Fiscal Year 2006 Appropriations Act requires the following changes in pharmacy coverage and reimbursement for all State pharmacy benefit programs:
- ACTION:** Effective for pharmacy claims with service dates on or after July 5, 2005, the following changes shall apply to drug coverage and reimbursement:
- Medicaid/Work First New Jersey (WFNJ)/General Assistance (GA) reimbursement for physician-administered drugs (Level II HCPCS codes) shall be based on the Average Wholesale Price (AWP) less 12.5% or the practitioner's acquisition cost, whichever is less.
 - When dispensing prescription drugs, for other than those provided by the WFNJ/GA program, 85% of the days supply dispensed for a prescription must be exhausted before that prescription is refillable. The former requirement was 75%. The 90% requirement for WFNJ/GA prescriptions remains the same.
 - State beneficiaries will no longer be able to receive methadone and narcotic prescriptions at the same time. A new claims processing edit has been activated that will monitor clinic claims for methadone to determine if this drug is being used at the same time prescriptions are being dispensed for narcotics. The narcotic claims will be denied payment.

If you have any questions regarding this Newsletter pertaining to Medicaid or WFNJ/GA, please contact the Chief, Pharmaceutical Services, DHSS, at (609) 588-2724. If you have any questions concerning PAAD, Senior Gold, ADDP or CF, please contact the DHSS Pharmacy Consultant at (609) 631-4887.

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