



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

NEWSLETTER

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TO: Providers of Pharmaceutical Services, Physicians, Advance Practice Nurses, Midwives, Independent Clinics, Hospital Outpatient Departments, and Skilled Nursing Facilities – **For Action**
Health Maintenance Organizations – **For Information Only**

SUBJECT: **Changes in Prescription Drug Benefit Coverage and Reimbursement**

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

PURPOSE: To notify providers of pharmaceutical services of changes in fee-for-service (FFS) coverage and reimbursement for drug benefits provided by the New Jersey Division of Medical Assistance and Health Services (DMAHS) due to adoption of the 2010 State Appropriations Act

BACKGROUND: The State Fiscal Year (SFY) 2010 Appropriations Act requires that DMAHS implement changes to FFS coverage and reimbursement for clients eligible to receive drug benefits under the NJ FamilyCare (NJFC)/Medicaid and Work First New Jersey (WFNJ)/General Assistance programs.

ACTION: **Effective for FFS pharmacy claims with service dates on or after July 1, 2009,** the following policy changes shall apply.

- Reimbursement for 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).
- Erectile dysfunction drugs, hydrocodone/chlorpheniramine combination products and lipase inhibitors are no longer covered;
- Legend drugs available over-the-counter, other than cough and cold preparations, are no longer covered for clients 21 years of age and older.
- Coverage of legend cough and cold preparations for clients 21 years of age and older shall be limited to (1) clients with a history of antibiotic use during the seven (7) day period immediately prior to a request for payment of a cough and cold product; and/or (2) clients with a history of acute respiratory infection or chronic pulmonary disease.

Note: When processing claims for an antibiotic and a cough and cold product(s) on the same date of service, pharmacists must submit the claim for the antibiotic first, before submitting the claim for the cough and cold prescription to Unisys.

If you have any questions regarding this Newsletter, please contact Unisys Provider Services at 1-800-776-6334.

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