



Newsletter

*Published by the
N.J. Dept. of Human Services,
Div. of Medical Assistance & Health Services
& the N.J. Dept. of Health & Senior Services
Div. of Senior Benefits and Utilization
Management*

Volume 21 No. 11

May 2011

TO: Providers of Pharmaceutical Services – **For Action**
Health Maintenance Organizations – **For Information Only**

SUBJECT: **Assignment of New State Upper Limit (SUL) Prices**

EFFECTIVE: Claims with service dates on or after May 18, 2011

PURPOSE: To notify providers of pharmaceutical services of changes in fee-for-service (FFS) reimbursement for drug benefits provided by the New Jersey Division of Medical Assistance and Health Services (DMAHS) and the New Jersey Department of Health and Senior Services (DHSS) due to the implementation of new State Upper Limit (SUL) prices for multi-source drugs.

BACKGROUND: The adoption of the 2011 State Appropriations Act requires that the State of New Jersey establish new SUL prices for multi-source drugs. Goold Health Systems (GHS) has been awarded the SUL contract for the State of New Jersey. GHS is responsible for collecting acquisition cost data from drug wholesalers, as well as conducting pharmacy surveys to collect information that will be used to set or reset SUL prices. SUL prices are calculated at 150% of the lowest State Wholesale Acquisition Cost (SWAC) for the same drug, strength and route of administration.

ACTION: **Effective for claims with service dates on or after May 18, 2011,** reimbursement for the cost of certain multi-source drugs shall be determined based on the lesser of: (1) the Average Wholesale Price (AWP) less 17.5%; (2) the federal upper limit (FUL) price; (3) the State Upper Limit (SUL) Price; or (4) a pharmacy's usual and customary charge.

- On or after May 2, 2011, proposed SUL prices will be available on the Molina Medicaid Solutions website www.njmmis.com under Information and NJ State MAC to the far left of the website.
- Pharmacies are encouraged to review the list of proposed SUL prices and contact the **GHS SUL Help Desk at 1-855-389-9502** if they find prices that are below their actual acquisition cost. The first active SUL list will be available on the Molina website on or about May 18, 2011.

- On or after June 1, 2011, this information will also be available on a dedicated New Jersey website www.njsul.com created by GHS to support the New Jersey State SUL initiative.
- GHS is responsible for assisting the State in resolving any disputes related to SUL prices. A dispute initiation form entitled Prescription(s) Reimbursed Below Cost Research Request Form will be available at www.njsul.com. **Pharmacies should fax the completed dispute Form to GHS at 1-877-350-2808.**
- Upon review and if warranted, GHS will recommend an SUL price change to the State. After State approval, GHS will communicate the outcome of the review to the pharmacy initiating the inquiry.

Any questions regarding SUL prices must be directed to **GHS Help Desk by calling 1-855-389-9502 (toll free)**. GHS is available Monday through Friday from 8:00 AM to 5:00 PM. The website may also be used by pharmacies to monitor proposed and active SUL lists, as well as access contact information for GHS and the dispute initiation form.

If any questions regarding this Newsletter, please contact Molina Medicaid Healthcare Solutions Provider Services at 1-800-776-6334.

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