



Newsletter

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

SUBJECT: **Changes in Fee-For-Service (FFS) Drug Coverage and Reimbursement**

EFFECTIVE: Claims with service dates on or after July 1, 2011 and September 1, 2011

PURPOSE: To notify providers of pharmaceutical services of changes in FFS drug coverage and reimbursement 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 adoption of the 2012 State Appropriations Act.

BACKGROUND: The State Fiscal Year (SFY) 2012 Appropriations Act requires that DMAHS and DHSS implement changes to FFS drug coverage and reimbursement for beneficiaries eligible to receive drug benefits under the NJ FamilyCare (NJFC)/Medicaid and Work First New Jersey/General Assistance Programs, the Pharmaceutical Assistance to the Aged and Disabled Program, the Senior Gold Prescription Drug Discount Program, the Aids Drug Distribution Program and the Cystic Fibrosis Prescription Drug program.

ACTION: Effective for pharmacy claims with service dates on or after July 1, 2011, the following changes in drug coverage shall apply:

1. The NJFC/Medicaid program shall discontinue payment of Medicare Part D copayments. NJFC/Medicaid beneficiaries are responsible for paying these copayments and pharmacies are allowed to charge/collect these copayments from NJFC/Medicaid beneficiaries.

2. **Except for benzodiazepines, barbiturates, smoking cessation products and legend vitamins,** drugs **not covered** by Medicare Part D are no longer covered by the NJFC/Medicaid program.

3. **Except for benzodiazepines and barbiturates,** drugs **not covered** by Medicare Part D are not covered by the Pharmaceutical Assistance to the Aged and Disabled Program, the Senior Gold Prescription Drug Discount Program, the Aids Drug Distribution Program.

Effective for pharmacy claims with service dates on or after September 1, 2011, the following changes in reimbursement shall apply:-

Reimbursement for pharmacy claims shall be based on either:

- the lesser of WAC less one percent plus a dispensing fee of \$3.73 to 3.99 for single-source and multi-source brand-name drugs or a provider's usual and customary charge; or
- the lesser of SUL or FUL plus a dispensing fee of \$3.73 to \$3.99 for multi-source drugs or a provider's usual and customary charge; or
- the lesser of acquisition costs submitted by providers, suppliers and/or wholesalers for single source, brand-name multi-source, and multi-source drugs plus a professional fee or a provider's usual and customary charge.

It is important to note that the policy changes effective September 1, 2011 are in anticipation of Average Wholesale Price (AWP) information no longer being available from First Data Bank, Inc. to adjudicate pharmacy claims.

Pharmacies are reminded of the importance of responding to ongoing GHS requests for acquisition data to properly set SUL rates.

These changes in reimbursement will not apply to pharmacy claims in which the State of New Jersey is the secondary payer to Medicare Part D.

If any questions regarding this Newsletter, please contact Molina Medicaid Solutions (formerly Unisys) Provider Services at (800) 776-6334.

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