

TO: Providers of Pharmaceutical Services

SUBJECT: Clarification of Medicaid Policy Regarding Brand Drug Reimbursement

EFFECTIVE: Immediately

BACKGROUND: The Medicaid program shall reimburse pharmacies the cost of brand evidence of prescriber authorization is the written statement "Brand Necessary" or "Medically Necessary" or other acceptable phrase which is required for each individual prescription. This authorization is not acceptable for generic drugs assigned a MAC price. For non-MAC drugs, the prescriber must initial "Do Not Substitute" on each prescription. Medicaid regulations regarding proper prescriber authorization may be found in the Pharmacy Services Manual (N.J.A.C.) 10:51-1.6 "Prescription drug policies".

drug

PURPOSE: The purpose of the Newsletter is to notify pharmacists of the proper actions to be taken in those instances in which a State approved generic drug is unavailable for substitution due to market supply fluctuations.

ACTION: In those instances in which an approved generic drug is unavailable for substitution of a brand drug available from multiple sources due to market supply fluctuations, pharmacists shall be required to request proper prescriber authorization, as described in N.J.A.C. 10:51-1.6.

NOTE: Payments for brand drugs dispensed without proper prescriber authorization will be subject to recapture during pharmacy audits performed on behalf of the Medicaid program.

If you have any questions regarding this Newsletter, please contact the New Jersey Medicaid program, Chief Pharmacy Consultant at (609) 588-2724.

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