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Senior Services News

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TO: Providers of Pharmaceutical Services - **For Action**

SUBJECT: Senior Gold Prescription Discount Program

PURPOSE: To notify pharmacies regarding generic substitution policy under the Senior Gold Prescription Discount Program.

BACKGROUND: The Senior Services News volume 5, No 4, dated May 2001, notified providers of pharmaceutical services of implementation of the new program, Senior Gold Prescription Discount Program (SGPD). That newsletter included the policy and procedures on brand and generic dispensing.

ACTION: Effective immediately, the generic substitution policy as described in the newsletter volume 5, No. 4, dated May 2001, has been revised. Pharmacists should follow the following procedure:

Generic Substitution Policy:

- The Prescription Drug Price and Quality Stabilization Act, N.J.S.A. 24:6E-1 et seq., shall apply to the SGPD. This Act requires the prescriber to initial either one of the statements "Substitution Permissible" or "Do Not Substitute," in addition to signing the prescription. Brand-name maximum allowable cost (MAC) drugs will not be covered by SG unless the prescriber indicates in his or her own handwriting on each written or follow-up written prescription the phrase "Brand Name Medically Necessary."
- When the prescriber does not initial "Substitution Permissible" or the "Do Not Substitute" statement on a prescription for a drug product listed in the Drug Utilization Review Council (DURC) formulary, the pharmacist shall substitute from the list of interchangeable products and bill the State accordingly.
- When the prescriber initials "Substitution Permissible," the pharmacist shall dispense and bill the State for one of the least expensive products listed in the DURC formulary as interchangeable with the brand name prescribed.

- When the prescriber orders by generic name, the formulary does not apply. The pharmacist shall dispense the least expensive, therapeutically effective product available to him/her at the time of dispensing.

If you have any questions, please contact the Chief, Pharmaceutical Services, PAAD/SGPD, at (609) 631-4887.

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