



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

NEWSLETTER

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TO: Physicians, Dentists, Podiatrists, Certified Nurse Practitioners/Clinical Nurse Specialists, Certified Nurse- Midwives, Optometrists, and Independent Clinics - For Action
Health Maintenance Organizations - For Information

SUBJECT: Changes to Coverage and Policy for Pharmaceutical Services

BACKGROUND: P.L. 1996, c.42, the State Fiscal Year 1997 Appropriations Act, made changes to both coverage and reimbursement for pharmaceutical services. These changes include:

1. Limiting reimbursement for prescription drugs for prescriptions dispensed on or after July 15, 1996 to a 34-day supply or 100 unit doses, whichever is greater.
2. Changing the Brand Medically Necessary requirements for the PAAD program.

PURPOSE: To advise prescribers of changes in the coverage and policy for the Medicaid program (Medicaid), and the Pharmaceutical Assistance to the Aged and Disabled (PAAD) program. In addition, these changes are also effective for the General Assistance (GA) program, the AIDS Drug Distribution program (ADDP) and the Cystic Fibrosis Drug (CFD) program drug claims which are also processed by the Division's fiscal agent.

ACTION:

1. Effective for prescription claims with dates of service on or after July 15, 1996, reimbursement for prescription drugs will be limited to a 34-day supply or 100 unit doses, whichever is greater.
2. Effective for service dates on or after July 15, 1996, each prescription written for a PAAD beneficiary shall state "Brand Medically Necessary" in the prescriber's own handwriting in order to override generic substitution of Maximum Allowable Cost (MAC) drugs, and each prescription order shall follow the requirements of P.L. 1977, c. 240 (C. 24:6E-1 et seq.). The list of drugs substituted shall conform to the Drug Utilization Review Council approved list of substitutable drugs and all requirements pertaining to drug

substitution as established by the State Medicaid program. The "Brand Medically Necessary" requirements for the Medicaid program remain unchanged at this time.

If there are any questions concerning this Newsletter, please call the New Jersey Medicaid program's Chief, Pharmaceutical Services, at (609) 588-2724 or your Medicaid District Office.

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