

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

**SUBJECT:** Revised Federal Upper Limits of Payment for Maximum Allowable Cost (MAC) Drugs (APPENDIX B)

**EFFECTIVE:** January 1, 1997

**PURPOSE:** This Newsletter is intended to notify providers of pharmaceutical services of changes to the current listing of MAC drugs as described in APPENDIX B (Rev. 8/96) of Newsletter Volume 6, No. 40, dated July 1996. A revised list (Rev. 1/97), published by the Health Care Financing Administration (HCFA), is attached for your information. Commonly known brand names have been provided by the Division of Medical Assistance and Health Services for reference purposes only. Other brands of the same products which are not listed are also subject to the MAC limitation.

**Note:**

Products listed in APPENDIX B may not be covered by the Medicaid or the Pharmaceutical Assistance to the Aged and Disabled (PAAD) program or may require prior authorization in accordance with existing Division policies.

**Manual Maintenance**

To properly maintain your Manual:

- \* **HMOs:** Discard the listing of MAC drugs (Rev. 8/96) attached to the Newsletter Volume 6, No. 40.

\* **Providers of Pharmaceutical Services:**

Please insert this new MAC Drug List (Rev. 1/97), as APPENDIX B, in the Pharmaceutical Services Manual.

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.

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