



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

NEWSLETTER

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TO: Providers of Pharmaceutical Services,
Physicians,
Certified Nurse Practitioners/Clinical Nurse Specialists,
Health Maintenance Organizations - For Information Only

SUBJECT: **Brand Authorization Requirements for Maximum Allowable Cost (MAC) Prescriptions**

EFFECTIVE: Immediately

BACKGROUND: In accordance with the New Jersey Administrative Code (N.J.A.C.) 10:51 et al., providers of pharmaceutical services are required to generically substitute prescriptions for Maximum Allowable Cost (MAC) drugs, unless the prescriber indicates in his or her own handwriting on each written prescription or follow-up written prescription to a telephone rendered prescription the phrase "Brand Medically Necessary." Federal Medicaid regulations require a handwritten statement and do not permit the use of alternatives such as a check-off box, initials or prescriber's signature next to a preprinted statement "Do Not Substitute," nor does it allow a handwritten statement "Do Not Substitute." Currently, pharmacists are required to comply with this requirement for MAC prescriptions when the brand drug is authorized and reimbursed by the Medicaid program.

ACTION: Effective immediately, the "Brand Medically Necessary" requirement for MAC prescriptions shall not apply for Medicaid beneficiaries enrolled in a Medicaid participating Health Maintenance Organization (HMO). MAC requirements for brand drug dispensing remain the same for all other pharmaceutical services covered and reimbursed by the Medicaid program on a Fee-For-Service (FFS) basis.

It is important to note that this change in MAC requirements has no impact on similar requirements currently implemented by individual HMOs participating in the Medicaid program.

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

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