

October 2006

NOTICE

To: Pharmacy Providers from the Division of Medicaid

The MS Division of Medicaid has received questions regarding the flat rate price of generics being offered in MS. This email is a reminder to pharmacy providers regarding Medicaid and pharmacy billing. Refer to DOM's Pharmacy Manual, Section 31.04, pages 1 and 2, or go directly to <http://www.medicaid.ms.gov/Pharmacy.aspx> , select Pharmacy Manual and go to Section 31.04 which states the following:

“Usual and customary charge for prescription drugs is the price charged to the general public. DOM defines the general public as the patient group accounting for the largest number of non-Medicaid prescriptions from the individual pharmacy, but does not include patients who purchase or receive their prescriptions through a third party payer.”

The rate charged to the general public is to be the same as that charged to Medicaid. All Medicaid policies and procedures such as prior authorization requirements and limits are still applicable. Records must be available to Medicaid upon request.