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**TITLE 405 OFFICE OF THE SECRETARY OF
FAMILY AND SOCIAL SERVICES**

LSA Document #01-378(E)

DIGEST

Temporarily amends 405 IAC 5-24-4 and 405 IAC 5-24-6 to revise reimbursement policy for pharmacy services in the Medicaid program. Authority: IC 4-22-2-37.1(a)(20); IC 12-8-1-12(c). *NOTE: See LSA Document #01-396(E), printed at 25 IR 829.* Effective October 28, 2001.

SECTION 1. (a) The office shall reimburse pharmacy providers for covered legend drugs at the lowest of the following:

- (1) The estimated acquisition cost (EAC) of the drug as of the date of dispensing, plus any applicable Medicaid dispensing fee.**
- (2) The maximum allowable cost (MAC) of the drug as determined by the Health Care Financing Administration under 42 CFR 447.332 as of the date of dispensing, plus any applicable Medicaid dispensing fee.**
- (3) The provider's submitted charges, representing the provider's usual and customary charge for the drug, as of the date of dispensing.**

(b) For purposes of this section, the Indiana Medicaid EAC is eighty-seven percent (87%) of the average wholesale price for each National Drug Code according to the Medicaid contractor's drug database file.

SECTION 2. (a) For purposes of this rule, the Indiana Medicaid dispensing fee maximum is three dollars (\$3) per legend drug.

(b) A maximum of one (1) dispensing fee per month is allowable per recipient per drug order for legend drugs provided to Medicaid recipients residing in Medicaid certified long term care facilities.

(c) The practice of split billing of legend drugs, defined as the dispensing of less than the prescribed amount of drug solely for the purpose of collecting more dispensing fees than would otherwise be allowed, is prohibited. In cases in which the pharmacist's professional judgment dictates that a quantity less than the amount prescribed be dispensed, the pharmacist should contact the prescribing practitioner for authorization to dispense a lesser quantity. The pharmacist must document the result of the contact and the pharmacist's rationale for dispensing less than the amount prescribed on the prescription or in the pharmacist's records.

SECTION 3. This document expires January 24, 2002.

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Filed with Secretary of State: October 26, 2001, 3:30 p.m.