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Informational Bulletin 07-13

114.3 CMR 31.00 Prescribed Drugs

Effective November 1, 2007

The Division is issuing this informational bulletin to notify pharmacy providers about the effect of the expected revision of the Federal Upper Limit on the Massachusetts Upper Limit. The Massachusetts Upper Limit is defined as:

Massachusetts Upper Limit. For multiple source drugs, an amount equal to one hundred thirty percent of the price of the least costly therapeutic equivalent as listed in any United States published or other United States public source for the most frequently purchased package size. The Massachusetts Upper Limit is also known as the Maximum Allowable Cost (MAC). 114.3 CMR 31.02.

The Centers for Medicare and Medicaid Services (CMS) is expected to issue revised Federal Upper Limit Prices for many prescribed generic drugs by the end of 2007 that will be based on 250% of the Average Manufacturer Price. The Division will not regard the Average Manufacturer Price, as published by CMS as a "United States published or other United States public source for the most frequently purchased package size" for purposes of calculating the Massachusetts Upper Limit.