



*THE COMMONWEALTH OF MASSACHUSETTS
EXECUTIVE OFFICE OF HEALTH AND HUMAN SERVICES*

DIVISION OF HEALTH CARE FINANCE AND POLICY

Two Boylston Street • Boston, MA 02116-4737
(617) 988-3100 • FAX (617) 727-7662 • TTY (617) 988-3175
www.mass.gov/dhcfp

MITT ROMNEY
GOVERNOR

KERRY HEALEY
LIEUTENANT GOVERNOR

RONALD PRESTON
SECRETARY

PAUL J. COTE, JR.
COMMISSIONER

Informational Bulletin

**Rates for Prescribed Drugs under M.G.L.c.152, Worker's Compensation Act
Bulletin 04-11
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The Division is issuing this Informational Bulletin under authority of Regulation 114.3 CMR 40.01(3) Administrative Information Bulletins to transmit clarification of changes in the payment formula under 114.3 CMR 31.00 relevant to providers and purchasers of prescribed drugs under M.G.L.c.152, the Worker's Compensation Act.

114.3 CMR 31.00 governs the reimbursement methodology for prescribed drugs for both governmental and workers' compensation payers. The definition of Estimated Acquisition Cost (EAC) was changed from wholesaler's acquisition cost (WAC) plus 6% to WAC plus 5%.

Effective immediately, workers compensation payers may determine the EAC of a prescribed drug consistent with WAC plus 5% by multiplying the average wholesale price (AWP) times 84% or AWP less 16%. The AWP is a widely published list price reported by drug manufacturers to several commercial publishers of drug pricing data such as the Red Book®.

Please note that all other provisions of regulation 114.3 CMR 31.00, such as dispensing fees, continue to apply to workers' compensation payers.