

July 2, 2004

Dear Pharmacist,

Beginning July 1, 2004, MassHealth will implement the December 16, 2003 amendments to the Division of Health Care Finance and Policy's regulations appearing at 114.3 CMR 31.00, and MassHealth pharmacy providers will be paid accordingly.

In May 2003, the Division of Health Care Financing and Policy issued a notice of Public Hearing regarding revisions to 114.3 CMR 31.00. These revisions modified the Massachusetts Upper Payment Limit (MULP) by (1) establishing that the MULP may be based on any published or other source of pricing, and is not limited to national compendia such as First Data Bank, (2) reducing the MULP from 150% to 130% of the lowest published price for a given drug; and (3) extending the application of the MULP to drugs for which a federal upper payment limit has been established. The revisions also redefined the Estimated Acquisition Cost from WAC plus 6% to WAC plus 5%. Following a public hearing, the described revisions to 114.3 CMR 31.00 were adopted as of December 16, 2003, but were not implemented before now.

Also on July 1, 2004 the payment methodology for medical supplies paid for through the POPS system will change. Reimbursement will now be based on the rates set forth in the Division of Health Care Finance and Policy Durable Medical Equipment regulation (114 CMR 22.00). These rates can found at:

<http://www.mass.gov/dhcfp>

A written prescription is not necessary for these items when paid through POPS (i.e., fax or telephone prescriptions are acceptable). Written prescriptions are required if billed on paper through the DME program.

If you have any questions concerning this correspondence please contact Victor Moquin of ACS at 617-423-9830.

Sincerely,

Paul L. Jeffrey, Pharm. D.
Pharmacy Director, MassHealth