

February 24, 2010

Montana Healthcare Programs Notice

Pharmacy

State Maximum Allowable Cost (SMAC)

Effective March 1, 2010

The Department of Public Health and Human Services is pleased to announce that Mercer Health and Benefits, LLC is the successful bidder to implement the SMAC pricing program for Montana Medicaid and the Mental Health Services program. The rules for Montana Medicaid's pricing are ARM 37.86.1101 through ARM 37.86.1106.

Mercer, at the direction of the Department, will determine pharmacy actual acquisition costs for Montana providers in setting the reimbursement rates. The Department intends to set the SMAC rates at 190% of the lowest acquisition cost and 120% of the second lowest acquisition cost, whichever is greater. For drugs where the unit acquisition cost is \$2.00 or less. For drugs with acquisition costs over \$2.00 the Department shall use a multiplier of 150% of the lowest acquisition cost and 120% of the second lowest acquisition cost. Providers shall never be paid lower than their acquisition cost for any given drug. The provider may submit invoices to the Department to show the actual acquisition cost of a drug, and the Department will be able to make any necessary adjustments to the SMAC reimbursement rate.

Initially the top 100 most utilized drugs will be subject to a SMAC rate, followed by additional drugs as pricing information becomes available. The SMAC rates will be posted to the Department Provider Website and updated at least monthly.

Contact Information

Any questions regarding this notice can be directed to Wendy Blackwood at (406) 444-2738. For claims questions or additional information, contact Provider Relations:

Provider Relations toll-free in- and out-of-state: 1-800-624-3958

Helena: (406) 442-1837

E-mail: MTPRHelpdesk@ACS-inc.com

Visit the Provider Information website:

<http://www.mtmedicaid.org>