

**STATE OF NEW JERSEY  
DEPARTMENT OF HUMAN SERVICES  
DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES**

NJ FamilyCare Pharmacy Reimbursement

**TAKE NOTICE** that the New Jersey Department of Human Services (DHS), Division of Medical Assistance and Health Services (DMAHS) intends to seek approval from the United States Department of Health and Human Services (HHS), Centers for Medicare and Medicaid Services (CMS), for an amendment to the New Jersey Medicaid (Title XIX) State Plan, regarding reimbursement of covered physician administered drugs in the NJ FamilyCare program.

The purpose of the amendment is to clarify the State Plan regarding physician administered drug reimbursement to align with operational practice. Specifically, reimbursement for physician and outpatient-administered drugs shall be the lowest price determined by the payment formulas described below:

- a drug or Long-Acting Reversible Contraceptive (LARC) device's Wholesale Acquisition Cost (WAC) less a discount of one (1) percent,
- the Federal Upper Limit (FUL) price for covered outpatient drugs (see <https://www.medicaid.gov/medicaid/prescription-drugs/pharmacy-pricing/index.html>),
- the State Upper Limit (SUL) price for covered outpatient drugs (see <http://www.njsul.com/>), or
- the actual drug acquisition cost, as billed in the submitted charge field (in the case of a drug dispensed from 340B inventory, this will be the 340B acquisition price).

Since this amendment is clarifying the State Plan to align to operational practice, it is not expected to have a fiscal impact.

This Notice is intended to satisfy the requirements of Federal law and regulations, specifically 42 CFR 447.205 and 42 U.S.C. 1396a(a)(13). A copy of this Notice is available for public review at the Medical Assistance Customer Centers, County Welfare Agencies, and the Department's website at:

<http://www.state.nj.us/humanservices/providers/grants/public/index.html>.

Comments or inquiries must be submitted in writing within 30 days of the date of this notice to:

Division of Medical Assistance and Health Services

Office of Legal & Regulatory Affairs

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