



**To: All Pharmacy Providers**

**RE: Reimbursement for Covered Drugs**

10/26/2006

In response to pharmacy retailers' recent announcements of reduced prices for specific generic drugs, the Alabama Medicaid Agency will consider these reduced prices to be the "usual and customary" price for these retailers. Retrospective audits identifying claims that are inappropriately charging Alabama Medicaid any amount over the usual and customary amount will be recouped. Please refer to our Administrative Code Rule No. 560-X-16-.06, "Reimbursement for Covered Drugs", as well as Provider Billing Manual Chapter 27, for more information on our reimbursement policy.

For additional questions regarding this ALERT, please contact Pharmacy Services at (334) 242-5050.

October 26, 2006