

A L E R T

August 1, 2019

---NOTE: THIS ALERT IS A REMINDER OF THE ALERT DATED October 26, 2006---

TO: All Pharmacy Providers
RE: Reimbursement for Covered Drugs

As a reminder, the below paragraph was an ALERT disseminated to all pharmacy providers on 10/26/2006, and has been posted on the Agency website since that date. This policy continues to be in effect. Per Alabama Medicaid Administrative Code, Rule No. 560-X-16-.06 "Reimbursement for Covered Drugs and Services," Usual and Customary is defined as the "charge to the general public regardless of program fees."

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.