



THE STATE  
of **ALASKA**  
GOVERNOR BILL WALKER

Department of  
**Health and Social Services**

DIVISION OF HEALTH CARE SERVICES  
PHARMACY & ANCILLARY SERVICES UNIT

4501 Business Park Blvd., Suite 24, Bldg L  
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18 April 2016

**Re: New Federal Upper Limits for Multiple Source Drugs – Second Notice**

Dear Pharmacists and Prescribers:

The final Affordable Care Act (ACA) Federal Upper Limits (FULs), maximum federal reimbursement limits set for multiple source drugs, became effective on April 1, 2016 to coincide with the effective date of [CMS-2345-FC](#). States have up to 30 days from the April 1, 2016 effective date to implement the FULs. Alaska Medicaid has been working with our pharmacy claims processor to ensure compliance by April 30, 2016.

**The new ACA FUL price type was loaded into the Pharmacy Adjudication System on April 18, 2016.**

No changes to the pharmacy reimbursement methodology were required as a result of the federal updates to the FULs. We anticipate that the ACA FULs, updated monthly, will more effectively represent ongoing vacillations in drug pricing. Additionally, FULs, per 42 CFR 447.514(b)(2), will not be set lower than the most current average acquisition costs paid by retail community pharmacies as determined by survey (e.g. NADAC).

**Pharmacy providers may voluntarily choose to re-submit any claims that paid using the former FUL price type between April 1 and April 18, 2016 that have a Date of Service between April 1 and April 18, 2016, consistent with 7 AAC 145.005 which allows for a 12-month timely filing allowance.**

To determine the basis of reimbursement for a specific claim, providers are encouraged to refer to the Alaska Medicaid D.O Payer Specification document and work with their software vendors to identify the corresponding NCPDP field 522-FM on the Response Pricing Segment.

[http://manuals.medicaidalaska.com/docs/dnld/AK\\_D0\\_Payer\\_Specs\\_07282014\\_B1-B2\\_Only.pdf](http://manuals.medicaidalaska.com/docs/dnld/AK_D0_Payer_Specs_07282014_B1-B2_Only.pdf)

Specifics on the ACA Federal Upper Limits may be found at:

<https://www.medicaid.gov/medicaid-chip-program-information/by-topics/benefits/prescription-drugs/federal-upper-limits.html>

ACA FUL files may be found at:

<https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Benefits/Prescription-Drugs/Pharmacy-Pricing.html>

Alaska Medicaid Covered Outpatient Drug Payment Rates:

<http://www.legis.state.ak.us/basis/aac.asp#7.145.400>

Please contact me, at 907.334.2425 or [erin.narus@alaska.gov](mailto:erin.narus@alaska.gov), with any questions you may have on this rule.

Sincerely,

A handwritten signature in blue ink that reads "Erin Narus, PharmD, RPh".

Erin Narus, PharmD, RPh  
Lead Pharmacist, Pharmacy & Ancillary Services Unit

cc: Margaret Brodie, Jon Sherwood