
Maximum Allowable Cost (MAC) Pricing Frequently Asked Questions

What is a State Maximum Allowable Cost program?

State MAC programs are modeled after the Centers for Medicare & Medicaid Services (CMS) Federal Upper Limit (FUL) program. The intent is to provide a maximum price the state will pay for a given generic pharmaceutical irrespective of its package size or manufacturer. The Michigan MAC program is designed to promote the efficient purchasing of generic pharmaceuticals within the Department of Community Health's pharmacy provider network to ensure that the Medicaid program is a prudent payer of prescription drugs.

How are the drugs selected for inclusion on the MAC list?

"AB" rated generic drugs that have more than one generic manufacturer are selected for inclusion on the Department's MAC list. Other considerations are included such as market availability, drug shortages, obsolete or terminated status, CMS rebate status, and the clinical practicality of generic interchange.

How are market prices researched?

Prices are researched using wholesaler information (prices and availability). At least two wholesalers conducting business within the State of Michigan are included in this analysis. In addition, industry data, such as published pricing information, and information provided by Michigan pharmacies is used to review and assess the MAC program and to ensure that established MAC prices reflect current pharmaceutical market conditions.

How are MAC prices set?

The State of Michigan uses a vendor to set the MAC prices. The vendor uses a proprietary algorithm that computes the MAC price.

Where are the MAC list and prices located?

All information is posted at the vendor's Michigan Medicaid website:

<https://michigan.fhsc.com/MAC/MacInfo.asp>

This includes

- Monthly MAC List
- Weekly MAC Price Update List
- MAC Price Research Request Form
- MAC Pricing Request Form

How do providers request a MAC pricing review?

Providers may request a MAC price review by filling out the *MAC Price Research Request Form* and submitting it to the vendor. All inquiries must be accompanied by actual invoices from the providers wholesaler for consideration. All efforts will be made to respond to requests within two business days.

What should I do if I'm unsatisfied with the initial MAC pricing review response and believe the price is incorrect?

Providers should submit a second price review request with documentation supporting why they believe the price is incorrect and warrants re-review. Providers can also contact the State MAC Department (see contact information below) to request additional assistance including a more detailed explanation of the review determination.

Whom should I contact if I have questions?

The State of Michigan welcomes providers' questions, comments, and input regarding the Medicaid MAC program. Providers are encouraged to contact the State's vendor, Magellan Medicaid Administration, regarding

- Changes in product availability
- Questions or concerns regarding MAC prices
- Questions concerning drugs included on the MAC list
- How to obtain a copy of the MAC list

Magellan Medicaid Administration, Inc.

Attn: State MAC Department

Mail: 4300 Cox Road, Glen Allen, VA 23060

Fax: (888) 656-1951

E-mail: StateMACProgram@MagellanHealth.com