

Maximum Allowable Cost (MAC) Pricing Frequently Asked Questions

September 4, 2013

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 Medicaid MAC program, administered by Magellan Medicaid Administration, 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?

Michigan's MAC vendor, Magellan Medicaid Administration, utilizes specific data attributes from a national drug database to create generic drug groupings for inclusion in the MAC program. Criteria that are initially considered for establishing a MAC include the number of generic manufacturers available, CMS rebate status, market availability, and the bioequivalence rating of specific generic drug groupings.

How are MAC prices set?

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

How are market prices researched?

A minimum of two wholesalers within the State of Michigan are included in the research and analysis. Prices are researched and evaluated by using wholesaler information, published pricing benchmarks, and provider invoices received from the Michigan pharmacy provider community, while also identifying if there are market shortages in an effort to adapt to the dynamic generic drug market. MI Medicaid pharmacy providers may submit a MAC Price Research Request form located online with a copy of the invoice listing the current acquisition cost for the product(s) in question to Magellan Medicaid Administration via fax (1-888-656-1951) or e-mail (StateMACProgram@MagellanHealth.com).

Where is 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 website includes

- Monthly MAC List;
- Weekly MAC Price Update List;
- MAC Price Research Request Form #1 (claims-specific information requested); and
- MAC Price Research Request Form #2 (no claims-specific information required).

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; however, a complete review will be delayed if an incomplete form is provided and/or an invoice is not submitted. Once the MAC inquiry/dispute request has been received, the MAC team will review available resources and make a determination based on current market availability and other product intelligence. The MAC team will provide a written response indicating the outcome (i.e., whether approved or denied). If a MAC price adjustment is not warranted, the MAC team will provide alternatives within the response (when possible) that demonstrate product availability below the current MAC rate.

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 providers contact for questions?

The State of Michigan welcomes providers' questions and comments regarding the Medicaid MAC program; however, to expedite the timeliness of the review providers are encouraged to contact the State's MAC vendor, Magellan Medicaid Administration, regarding all concerns with MAC pricing, changes in product availability, and the status of a MAC research request submitted.

Magellan Medicaid Administration, Inc.

Attn: State MAC Department

Mail: 11013 West Broad Street, Glen Allen, VA 23060

Fax: 1-888-656-1951

E-mail: StateMACProgram@MagellanHealth.com

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