

# STATE OF ALASKA

DEPARTMENT OF HEALTH AND SOCIAL SERVICES

*DIVISION OF HEALTH CARE SERVICES*

*Sean Parnell, Governor*

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August 1, 2011

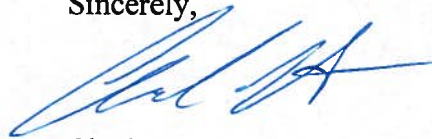
Re: Physician administered medications payment changes

Dear Provider:

Effective with claims processed on and after **September 7, 2011**, the maximum allowable estimated acquisition cost for physician administered drugs (J-codes) will no longer be based on the Average Wholesale Price (AWP) less 5%, but instead will be based on the Wholesale Acquisition Cost (WAC) plus 8%. This change is in accordance with recently adopted pharmacy coverage and payment regulations. While this change affects claims processing there are no changes to the claim submission or billing format currently used.

Please contact me at (907) 334-2654 with any questions about this notice or the current regulations.

Sincerely,



Chad Hope, Pharm.D.  
Pharmacy Program Manager

cc: Kimberli Poppe-Smart, Deputy Commissioner  
Cindy Christensen, Health Program Manager  
Linda Walsh, Systems Manager