



A Public Entity

Inland Empire Health Plan

PHARMACY TIMES

BY IEHP PHARMACEUTICAL SERVICES DEPARTMENT

December 10, 2015

Update: IEHP Maximum Allowable Charges (MAC) Policy Effective January 1, 2016

Dear IEHP Pharmacy Providers,

IEHP has implemented a customized IEHP Maximum Allowable Charges (MAC) list since October 2013. To comply with amendments to California Business and Professions Code, Chapter 9.5 Audits of Pharmacy Benefits, Sections 4430, 4432, and 4440 (Assembly Bill No. 627), IEHP is updating its MAC policy with an effective date of **January 1, 2016**.

Please note that the IEHP MAC does not apply to any IEHP Medicare line of business. IEHP Medicare line of business currently utilizes the ARGUS National Network MAC (please refer to your contractual agreements with ARGUS for any disputes in pricing).

Since pharmacy acquisition costs are considered proprietary information, and there is no MAC reference that is considered to be the “gold standard” for reimbursement purposes, IEHP has contracted with GlassBox Analytics’ Predictive Acquisition Cost (PAC) program to generate a custom MAC list.

Major Changes/Updates:

- Update to frequency of the IEHP MAC drug price review from once every month to once every seven days
- Updates to the MAC appeals process, including appeal types, timeframe, required documents, and review criteria

For more details on the MAC policy updates and appeal process, please visit IEHP Pharmaceutical Services MAC page: <https://ww3.iehp.org/en/providers/pharmaceutical-services/drug-mac/>.

By implementing the new updates, IEHP anticipates that the most significant pricing changes will be acted upon timely. It is our goal to streamline this process and react to pricing changes proactively, and we are confident that pharmacy providers will get a fair reimbursement based on the current MAC structure. If you have any questions, please feel free to contact the IEHP Pharmaceutical Services Department at 909-890-2049.

Sincerely,

IEHP Pharmaceutical Services

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