



# Montana Healthcare Programs Provider Notice

## January 8, 2024

**CAH, FQHC, Hospital Inpatient, Hospital Outpatient, IHS, Mid-Level, Pharmacy, Physician, RHC, and Tribal 638 Providers**

### **AMP Cap Removal and Medication Access**

Effective January 2024, the 2021 American Rescue Plan Act removes the limits from mandatory Medicaid rebates. Manufacturers must pay Medicaid rebates on the medications Medicaid pays for based on, among other things, how much the drug's average manufacturer's price (AMP) has increased over the rate of inflation. Currently, this is capped at 100%, meaning that manufacturers never pay a rebate greater than their AMP. With that cap removed, manufacturers could owe Medicaid rebates greater than 100% of the purchase price, resulting in a net loss for the company.

Manufacturers may respond to this change in several ways: do nothing, reduce the list price to reduce inflationary rebates, discontinue the product, divest product rights to another manufacturer, or terminate its rebate agreement with the federal government so that its products will no longer be covered by state Medicaid agencies.

Several manufacturers have already discontinued products, divested them or announced their intention to do so, or have terminated their rebate agreement with CMS.

These changes may result in:

- Temporary access issues, as seen when Focalin XR was divested to a new manufacturer
- Permanent access issues when a product is discontinued, as will be seen soon with Levemir
- Montana Healthcare Programs Preferred Drug List (PDL) changes as supply and prices change

Providers will likely see an increase in prescription change requests to alternate products as pharmacists react to drug discontinuations and shortages, sometimes with very little notice.

Montana Healthcare Programs maintains communication with participating manufacturers and will make necessary PDL changes as we are made aware of product discontinuations.

While we are trying to monitor drug supply and act preemptively, there will be unforeseen shortages. Please contact the MPQH Drug Prior Authorization Call Center with these issues to make us aware and for assistance in finding a resolution.

### **Contact and Website Information**

Drug Prior Authorization Unit  
Mountain Pacific Quality Health  
(406) 443-6002 or (800) 395-7961 (Phone)  
(406) 513-1928 or (800) 294-1350 (Fax)

For questions about this provider notice please contact:

- Shannon Sexauer, PharmD, Montana Healthcare Programs Pharmacist, (406) 444-5951, email [Shannon.Sexauer@mt.gov](mailto:Shannon.Sexauer@mt.gov)
- Dani Feist, Pharmacy Program Officer, (406) 444-2738, email [DFeist@mt.gov](mailto:DFeist@mt.gov)

For claims questions or additional information, contact Montana Provider Relations at (800) 624-3958 or (406) 442-1837 or email Montana Provider Relations Helpdesk.

Visit the [Montana Healthcare Programs Provider Information website](#) to access your provider type page. Choose Resources by Provider Type in the left-hand menu.

Visit the [Contact Us page](#) on the Provider Information website for additional DPHHS contact numbers.