

**** Important Information ****

Date: 02/08/2017

From: Magellan Medicaid Administration on behalf of the TennCare Pharmacy Program

Re: Usual & Customary Drug Price

To: TennCare Pharmacies

Based on a recent claims review, Magellan has identified inconsistency in the usual and customary (U&C) fees charged by the network pharmacies.

Magellan Rx Management Pharmacy Network would like to remind you of the U&C price obligation in your network contract. The usual and customary fees charged for a TennCare enrolled should not be greater than the fees charged to any other person regardless of whether the person is a TennCare enrollee. Refer to the excerpt below:

1.27 “Usual and Customary Charge” The reasonable, usual and customary fees charged by the Pharmacy, which do not exceed the fees the Pharmacy would charge any other person regardless of whether the person is a TennCare enrollee, inclusive of any special marketing or prescription drug programs offered by the Pharmacy.

Please ensure that any future claims reflect the correct U&C pricing in accordance to the network agreement. We appreciate your assistance in this matter.