**Section 119.100 Pharmacy Payment**

a) Direct payment to pharmacies by the Department is made only for pharmaceutical products for individuals not enrolled in Medicare Part D or for Medicare Part D excluded pharmaceutical products covered by the Department when dispensed to individuals enrolled in Medicare Part D.

b) Reimbursable Amount

1) Except as provided in subsections (b)(2), (3) and (4) of this Section, the reimbursable amount for a pharmaceutical product eligible for direct payment by the Department shall be:

A) For legend (prescription) drugs, the Department shall pay the lower of:

i) the pharmacy's prevailing charge to the general public; or

ii) the Department's maximum price plus a dispensing fee of $2.25 for both generic and brand name drugs less applicable co-payments and cost sharing as set forth in Section 119.90.

B) For generic drugs, the Department's maximum price is calculated as the lowest of:

i) the average wholesale price minus 25 percent; or

ii) the Federal Upper Limit; or

iii) the State Upper Limit.

C) For brand name drugs, the Department's maximum price is calculated as the average wholesale price minus 14 percent.

D) For those over-the-counter drugs that are covered, the Department shall pay the lower of:

i) the pharmacy's prevailing charge to the general public; or

ii) the average wholesale price plus 25 percent; or

iii) the State Upper Limit.

2) If a generic drug is available, based upon the Illinois Formulary for Drug Product Selection Program (77 Ill. Adm. Code 790), and the individual wants the brand name equivalent of the drug, the reimbursable amount shall be that of the generic drug.

3) If a brand name drug is dispensed when the reimbursable amount is that for the generic drug, the individual shall be responsible for paying the difference between the reimbursable amount (based upon the generic drug) and what would have been the reimbursable amount for the brand name drug, plus the applicable co-payment and cost sharing, as described in Section 119.90.

4) Payment by the Department to a participating pharmacy for a pharmaceutical product dispensed to an individual eligible for Illinois Cares Rx shall be the difference of the reimbursable amount, as described in subsection (b) of this Section, less applicable co-payments, and cost sharing, as described in Section 119.90, and any amount paid or payable by Medicare or another third party as described at 89 Ill. Adm. Code 140.12(h)(2).

5) The reimbursable amount to pharmacies for prescriptions processed by a Medicare Part D PDP shall be at the contracted rate between the pharmacy and the PDP.

c) Provider Participation

In order to bill the Department directly for prescriptions dispensed to participants in the Illinois Cares Rx Program, pharmacies shall be enrolled in the Medical Assistance Program under Article V of the Public Aid Code.

(Source: Amended at 31 Ill. Reg. 5537, effective March 26, 2007)