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**Subject: Wisconsin Chronic Disease Program (WCDP)
Brand Name Drug Reimbursement Changes**

Dear Doctor:

Effective for dates of service on or after July 1, 2004, WCDP reimburses brand name drugs at the Medicaid reimbursement rate. Prior to this change the state-funded WCDP reimbursed drugs at the generic rate for brand name drugs when a generic was available even if the prescription was for a brand name drug.

To assure that brand name drugs are dispensed only when medically necessary, WCDP has developed the following procedures based, in part, on procedures used by Medicaid, BadgerCare and SeniorCare. Effective November 15, 2004, when a brand medically necessary prescription is written, prescribers are expected to submit a completed Food and Drug Administration (FDA) MedWatch Voluntary Reporting form, which can be found at <http://www.fda.gov/medwatch/>, with the prescription to the pharmacy. Prescribers are to do the following:

- Continue to write "Brand Medically Necessary" on the prescription. (Phrases like "No substitutes" or "N.S." are not acceptable.) This certification must be in the prescriber's own handwriting and written directly on the prescription or on a separate order attached to the original prescription. Typed certification, signature stamps, or certification handwritten by someone other than the prescriber does not satisfy this requirement.
- Complete the MedWatch Reporting form. Documentation on the MedWatch form must indicate how the brand name drug will prevent reoccurrence of the adverse or allergic reaction or therapeutic failure.

These requirements do not apply to refills for prescriptions written prior to November 15, 2004. A copy of the completed MedWatch form does not need to be submitted to WCDP for prior authorization. The program reserves the right to conduct a post payment review to ensure brand name drugs are appropriately dispensed. Providers should retain the MedWatch form in the participant's medical file. Prescribers are responsible for providing pharmacies with the completed MedWatch form. If you have any questions regarding this letter, please contact WCDP at (608) 221-3701.

Sincerely,

James J. Vavra, Director
Bureau of Fee-For-Service Health Care Benefits

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