



A Public Entity

Inland Empire Health Plan

IEHP Maximum Allowable Charges (MAC) Policy

As you may know, IEHP has implemented a customized IEHP Maximum Allowable Charges (MAC) list starting October 2013. The list is maintained, monitored, and updated monthly. 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 the IEHP custom MAC list. IEHP understands the importance of the accuracy and timeliness of Maximum Allowable Charges (MAC) update process. As IEHP strives to achieve maximum transparency and accuracy, IEHP will be implementing a new process to monitor and maintain pricing outliers on a daily basis.

Effective 12/1/2013, daily monitoring of IEHP MAC changes will be achieved through one of the following mechanisms:

1. Outlier pricing alerts via system triggers: pricing outliers are identified and reviewed on a daily basis. Outlier is defined as 25% increase, or when impact to total prescription cost per claim = \$5 or more, AND at least 10 claims in 1-year data. This methodology should identify majority of pricing changes and allow updates to be done within 5 business days.
2. Outlier pricing alerts via IEHP Network Pharmacy Providers: Pharmacy Providers must submit wholesale invoice to support the case. Upon receiving invoices from at least TWO wholesalers, IEHP will review and update the MAC list accordingly. The discrepancy will be sent to PAC for further evaluation for quality improvement purposes.

Supporting documentation needed for MAC research:

1. Pharmacy Providers must submit a MAC dispute resolution request form and an invoice to IEHP (via fax at 909-891-1577 or mac@iehp.org)
2. Please see IEHP Pharmaceutical Services MAC page for more information: <https://ww3.iehp.org/en/providers/pharmaceutical-services/drug-mac/>

By implementing the procedure detailed above, IEHP anticipates that the most significant pricing changes will be acted upon immediately. It is our goal to streamline this process and react to pricing changes proactively. The process is above the industry standard and we are confident that Pharmacy Providers will get a fair reimbursement based on the current MAC structure. As we focus on day –to-day monitoring process, IEHP will approve claims adjustment if the requested MAC change is significant and was not identified through the process above.

If you have any questions, please feel free to contact the IEHP Pharmaceutical Services Department at 909-890-2049.