

June 10, 1991

NOTE TO: All Drug Manufacturers

SUBJECT: Medicaid Drug Rebate Program

* * * * * IMMEDIATE ATTENTION * * * * *

Today, by separate mailing, we are notifying each Medicaid State Agency of the Health Care Financing Administration (HCFA) decision to postpone, until July 30, 1991, the State data reporting requirement for the calendar quarter of January - March. This change in the reporting requirement was prompted by: 1) The tardiness of many manufacturers in submitting their baseline and/or quarterly pricing data to HCFA within the mandated thirty days after the end of the calendar quarter; and, 2) The need to have selected manufacturers correct data in the Unit type, Units Per Package Size and Average Manufacturer Price fields. Even though we are granting this 60 day postponement, States have the authority to submit their first quarter utilization data to you prior to July 30.

Due to problems incumbent with any new program, we are trying to resolve these problems by notifying those people identified as the technical contacts for each of your companies. Their cooperation, thus far, has been excellent and their help is greatly appreciated. We prefer to use this informal approach rather than discuss or invoke potential monetary penalties for late submissions of data.

We have included with this note a listing of the names, addresses and telephone numbers of the technical and policy contacts for each Medicaid State Agency. These are the people to be contacted to arrange and schedule the required data exchanges between manufacturers and States.

Additionally, we are sending to you a copy of the HCFA procedure used in the calculation of the **Unit Rebate Amount** field. As you are aware, manufacturers are ultimately responsible for the computation and payment of drug rebates. Should you encounter any discrepancy between the HCFA-computed and manufacturer-computed unit rebate amounts for any drug product, you should notify us immediately.

Please continue to contact us by calling the Medicaid Drug Hotline at (301) 966-3249.

Christine Nye
Director
Medicaid Bureau
Health care Financing Administration

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