

6325 Security Boulevard
Baltimore, MD 21207

MAY 17 1991



MEDICAID DRUG REBATE PROGRAM Release No. 6

NOTE TO: All State Medicaid Directors

* * * * IMMEDIATE ATTENTION REQUIRED * * * *

We are mailing a diskette to the person identified as your technical contact for the Drug Rebate Program. The diskette contains an abbreviated listing of drug product information that we added to our data base through the close of business on May 15. A record layout accompanies the diskette.

This diskette represents an update of a similar data set we sent your technical contact persons on April 29. That diskette included the following data for approximately 25,000 national drug codes (NDC): the NDC, an abbreviated drug product name, and the unit type reported by the drug labeler.

The current diskette lists about 33,000 NDCs, reflecting our receipt of data from additional labelers since late April. Note that, in addition, the current diskette contains one additional data element - "Units Per Package Size".

For your information, we expect to send you on May 24 the following:

- o A hardcopy listing of manufacturers added to the program since I wrote you April 29 (Release No. 04): we expect there to be 24 more manufacturers added effective January 1, plus 7 effective July 1, 1991.
- o A diskette containing the final list, by labeler code, of all manufacturers participating in the program effective January 1, 1991. The names, telephone numbers and addresses of the legal, financial and technical contacts for each labeler will be included. This diskette updates the one sent you on March 15, and will include the 247 labeler codes from the earlier diskette, the 69 listed in my April 29 letter to you, and approximately 24 more codes enrolled since April 29. In all, there will be about 340 labeler codes enrolled in the program effective January 1, 1991.
- o The methodology HCFA will use to calculate unit rebate amounts. We will also send this document to all participating manufacturers.


Page 2

- o For the January-March quarter, all the data elements we will routinely send States (as shown on the record layout we sent you on April 16 with Release No. 03). We will send a round reel tape or tape cartridge, depending upon the preference your agency earlier expressed, addressed to your technical contact person.

We do not yet have complete data from the 247 manufacturers initially enrolled, much less data from the about 93 other manufacturers added recently. Moreover, we are finding numerous errors in the data supplied by the manufacturers. While we are working with the manufacturers to correct such errors where identified, there will doubtless be errors in the file we send you, particularly with regard to the Unit Type and Units Per Package Size fields. Notwithstanding these problems, we believe it important to give you as much data as we can, as soon as possible.

In mid-July, we will send you an update of the January-March quarter file, which we hope will include comprehensive January-March quarter data for all 340 manufacturers. It will also reflect corrections of errors identified in the interim.

Please continue to refer your questions to us by using the Drug Rebate Hotline number at (301) 966-3249.


jak Christine Nye
Director
Medicaid Bureau

cc:
All Regional Administrators
All Associate Regional Administrators for Medicaid
All State Technical Contacts