



DEPARTMENT OF HEALTH & HUMAN SERVICES
Health Care Financing Administration

Center for Medicaid and State Operations

MAY 13 1998

MEDICAID DRUG REBATE PROGRAM

RELEASE #34

TODAY'S NEWS

for Participating Drug Manufacturers

PRICING/PRODUCT DATA - Y2K FORMAT

Now that quarter 1/98 has been completed, we will **NO LONGER** accept diskette or Ordernet data in the old format. **Beginning immediately**, ALL input must be in the new Y2K format that we presented in release 32, dated December 22, 1997, regardless of whether it is **NEW** pricing/product data or corrections to **OLD** pricing/product data. Diskettes containing the new Y2K diskette program will be sent before June 15. Any labelers that did not return the diskette option form will automatically be receiving the DOS version as we explained in release 33. If you wanted the Windows version, but failed to submit the selection form, you will have to wait until after the end of the calendar year to request that version. Also, any labelers sending Ordernet data in the old format will have their data rejected. Any labelers sending diskettes in the old format will be notified that their data will NOT be updated to the Master MDRI system and that they will have to re-enter and resubmit their data **AFTER** receiving the Y2K diskette in June.

Please direct any questions or comments regarding this issue to Vince Powell on (410) 786-3314 or Judy Allison on (410) 786-3330.

REPORT TO ASSIST IN URA DISCREPANCIES

While working with a few state and labeler representatives on the Best Practices Guide recently, a "Best Practice" item came about that can be done by HCFA and can be instituted rather quickly. A problem that arises time and time again during Dispute Resolution Project (DRP) meetings is that, even though there may not be any unit discrepancies, there are differences in outstanding balances between the state and drug company due to each showing a different Unit Rebate Amount (URA). Either the drug company has made a change and has not, as yet, sent it to HCFA, the drug company calculates the URA differently than HCFA does, or the state uses a URA from some place other than the quarterly HCFA tape. Whatever the answer may be, it causes lots of extra work and hours to correct the situation.

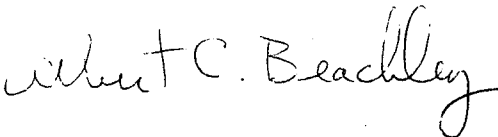
Starting with the second quarter, 1998, AFTER the quarterly tapes have been sent to the states, we will be sending a report to each labeler that displays **ALL** Baseline and current quarter information needed for the proper calculation of the URA. The labeler can use this report to match its Baseline and current quarterly pricing information (B/L-AMP and B/L-CPI-U (both pre- and post-OBRA'93), current quarter AMP/BP and CPI-U, and finally, the URA) to that which HCFA has and review any NDC where its calculated URA is different from HCFA's. Hopefully, this will assist in reducing the number of these URA discrepancies.

Questions and/or comments regarding the DRP or the Best Practices Guide should be directed to Mike Keogh at (410) 786-5910 or Vince Powell at (410) 786-3314.

ATTACHMENTS

Copies of the topic index and a listing of the 90-day treasury bill auction rates for the period of September 15, 1997 through May 11, 1998 are attached.

Please remember to direct your drug rebate questions to a staff member listed in section "O" of the Medicaid Drug Rebate Operational Training Guide.


for Sally K. Richardson
Director

2 Attachments

cc:

All Regional Administrators

All Associate Regional Administrators, Division of Medicaid