

July 30, 1999

MEDICAID DRUG REBATE PROGRAM RELEASE #43

TODAY'S NEWS for Participating Drug Manufacturers

SEPTEMBER DISPUTE RESOLUTION NATIONAL MEETING

The meeting to be held in Denver is scheduled for September 13-16, 1999. There are three attachments to this release which give details for attending the meeting, a registration form, and a list of states and labelers that are already scheduled to attend. If you are interested in attending, please fax the attached registration form, as instructed, by August 10, 1999.

STERLING COMMERCE - NEW FORMATS ACCEPTED

To all labelers who transmit their quarterly data to HCFA through Sterling Commerce's software: HCFA will be able to receive the new 108 (flat file) records and the X12 format starting with the transmission of the 3rd quarter 1999 data (October 1, 1999). However, as of October 31, 1999, HCFA will no longer be able to receive the old Ordernet format. If you have any questions regarding this issue, please contact Dona Coffman (410-786-1447 or DCoffman@HCFA.gov) or Kay Alexander (410-786-0252 or KAlexander@HCFA.gov).

MULTIPLE PACKAGE SIZE - AMP/BP REPORT

Several months ago, we sent (most of) you a report listing multiple package size NDCs for products where the AMP and/or BP for the different sizes showed different prices for the same quarter. We asked that you correct these instances using your regular mode of data transmission no later than with your 2Q1999 pricing submission. If not, after the 2Q1999 quarter unit rebate amount (URA) calculations are completed and sent to the states, we would go into the MDRI master file and make the necessary corrections by using the first instance of AMP/BP for multiple package sizes and carry it forward to all other package sizes in that same quarter. This would properly align our pricing for NDCs having more than one package size. These changes would, therefore, be included in the 3Q1999 URA calculations going to the states in mid-November.

We will be shutting the files down for 2Q1999 URA calculations on Monday, August 9, 1999. After that, any and all multiple package size NDCs having inconsistent pricing quarter by quarter will have changes made as described above. If you have not made any necessary changes as yet, please do so before we make the "across the board" changes to those NDCs remaining with this problem. Questions may be directed to Vince Powell on (410) 786-3314.

LABELER RESPONSIBILITIES WHEN SELLING PRODUCTS TO ANOTHER LABELER

This is a reminder of some of your responsibilities when you sell all or part of a product line to another labeler. First, if the new company takes over your old inventory and continues to use packaging with your NDC number, the states will continue to bill you for rebates until the

product having your NDC on the container is all sold. Even if you have an agreement with the company to pay all rebates, we can only carry contact information for one company under each Labeler code. Therefore, we will look to you to provide rebates to the states and pricing data every quarter to HCFA. Consequently, if we don't get prices, it is you we will contact for this information. After you sell a product to another labeler, please inform them that they should report the termination date of the product under your NDC as soon as the last lot under the old NDC is sold. The termination date would equal the shelf life of the last lot sold.

For all products sold to another labeler, which are then relabeled by the new owner, you should provide information such as, Baseline AMP (where applicable), Market Date (of the NDA) and quarterly prices needed to establish Baseline AMP values under OBRA'93 rules, to the new labeler in order for the URA to be calculated correctly by both HCFA and the new company.

Policy questions on this issue should be directed to the policy staff listed in section "O" of the Operations Guide. Questions on reporting this data can be directed to a member of the operations staff, in the same section of the Guide.

OTHER ATTACHMENTS

A copy of the topic index and a current listing of the 90-day treasury bill auction rates for the period beginning April 13, 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.

Sally K. Richardson
Director

5 Attachments

cc:

All Regional Administrators

All Associate Regional Administrators, Division of Medicaid

National Medicaid Drug Dispute Resolution Project Denver, Colorado September 13 - 16, 1999

The National Medicaid Drug Dispute Resolution meeting will be held in Denver, Colorado during the week of September 13 - 16, 1999. The meetings will be held at the Holtze Executive Place, 818 17th Street, in downtown Denver. If you would like to participate, or are already scheduled to attend, please complete the attached registration form and fax to Diane Dunstan at 303.844.3753. We look forward to seeing you in Denver.

Hotel Accommodations: Due to a Microsoft convention, rooms are not available at the Embassy Suites. If you already have a room reservation at the Embassy Suites, please do not cancel it. There are two designated hotels for the conference:

The Holtze Executive Place
818 17th Street
Denver, CO 80202

Reservations: 1-800-422-2092
Room Rate: \$119
Group Name: Health Care Financing Administration/Drug Dispute Resolution
Reservation Deadline: August 29, 1999

The Doubletree Hotel

Reservations: 303-321-3333 ext. 4500
Room Rate: \$83 plus tax
Group Name: Health Care Financing Administration/HCFA
Reservation Deadline: August 30, 1999

The Doubletree Hotel is approximately 6 miles from downtown Denver, so you would need to either rent a car or pay for a taxi to get to and from the meetings during the day. They do offer free transportation to and from Denver International Airport. Also, they offer free transportation to and from downtown Denver during the evening hours only.

The attached list of States and Manufacturers are scheduled to attend the DRP meetings. However, in order to develop an attendance list and include important information, please complete the registration form and return it to Diane Dunstan no later than August 10, 1999. This will ensure that manufacturers, states, and HCFA know who is attending the meetings.

**National Medicaid Drug Dispute Resolution Project Denver, Colorado September 13 - 17,
1999**

The following States are scheduled to attend the September DRP meetings:

Colorado	Florida	Georgia
Iowa	Kentucky	Maine
Minnesota	Missouri	Montana
Oklahoma	Nebraska	Nevada
New Jersey	North Carolina	Texas
Utah	West Virginia	Wyoming

The following Manufacturers are scheduled to attend the September DRP meetings:

Zenith-Goldline	Amgen	Schering-Plough
Novartis	Johnson & Johnson	Allergan
Rhone-Poulenc Rorer	SmithKline Beechum	Glaxo-Wellcome
Hoescht Marion Roussel	Wyeth-Ayerst	Bayer
Merck	Bristol-Myers Squibb	

REGISTRATION FORM ATTN: DIANE DUNSTAN FAX: 303.844.3753
National Medicaid Drug Dispute Resolution Project Denver, Colorado September 13 - 17,
1999

_____ YES, I will be attending the September DRP meeting.

State: _____

Labeler: _____

*

Name: _____

Title: _____

Phone: _____

Fax: _____

Name: _____

Title: _____

Phone: _____

Fax: _____

Name: _____

Title: _____

Phone: _____

Fax: _____

**PLEASE COMPLETE AND FAX TO DIANE DUNSTAN AT 303.844.3753 NO LATER
THAN AUGUST 10, 1999**