For Participating Drug Manufacturers

****ALERT ****

RESCISSION OF JULY 1 NDC DELETIONS

In labeler release #54, dated May 7, 2002, we described the FDA/MDRI data match conducted to identify individual products and/or package sizes that are on the MDRI master file but not on file with the FDA. On May 23, we sent all states a Notice and tape/data cartridge containing a file of NDCs that were to be deleted as non-covered under the Drug Rebate Program effective July 1, 2002. That file listed the NDCs identified through the MDRI/FDA data match as being on our master file but not on the FDA file.

In light of our understanding that some NDCs may have been omitted from the FDA file used in our data match, we are rescinding the instruction issued by us on May 23, 2002, for states to delete the codes on the list from their Medicaid drug coverage files. Similarly, if you received from us an NDC Deletion Report, dated May 21, 2002, the NDCs on that Report will <u>not</u> be deleted effective July 1, 2002, from the MDRI master file and state Medicaid drug coverage files. However, we will continue working with the FDA to ensure that our MDRI file contains only drug products approved by the FDA, as required by section 1927 of the Social Security Act. Therefore, if you received an NDC Deletion Report from us, you should ensure that all NDCs shown on it are listed with the FDA.

Questions may be directed to members of the drug rebate operations staff, as listed in section "O" of your Operations guide.

David McNally, Deputy Director Finance, Systems and Quality Group

cc:

All Regional Administrators All Associate Regional Administrators, Division of Medicaid