

December 9, 2005

MEDICAID DRUG REBATE PROGRAM

RELEASE #71

## For Participating Drug Manufacturers

### **VINCE POWELL RETIRES**

After 32 years of Federal service, Vince is retiring effective January 3, 2006. Vince has been with the Drug Rebate Program since its inception in 1990 and was instrumental in implementing the operational aspects of the program. After many years of serving as the lead analyst for drug rebate operations, Vince became the Technical Director of the program and has served in that capacity for the remainder of his career. In addition to his operational and Technical Director duties, Vince played an integral part in the Dispute Resolution Program for many years.

Vince asked that his appreciation for the many great working relationships developed over these years be acknowledged.

### **REPORTING PRODUCTS HAVING “INNER” AND “OUTER” NDC NUMBERS**

We have been receiving some questions on how labelers should report the Units Per Package Size (UPPS) for “inner” NDCs (the NDCs of individual packages within an overall container) versus “outer” NDCs (the NDCs of the overall containers which hold the individual packages) for purposes of the drug rebate program. For drugs that have inner and outer NDCs, the “inner” NDCs (e.g., a bottle of tablets, a tube of cream, etc...) have the same product code (NDC1 and NDC2) as the “outer” NDCs (e.g., a box of 24 bottles of tablets, a case of 48 tubes of cream, etc...), but have different package size codes (NDC3). When this happens, the product may be dispensed either by the overall container or by the individual package; however, the “inner” and “outer” NDCs will each have different UPPS values. As a reminder, the UPPS is either reported

as “1” where packages can be broken down and individual units (i.e., TAB, CAP, TDP) dispensed or as the total number of units contained in an unbreakable package. The UPPS of an “outer” NDC is always equal to the total number of units in the package.

For example, if an “inner” NDC represents a bottle of 100 tablets that can be broken down and dispensed per tablet, and an “outer” NDC represents a case of 24 bottles with 100 tablets in each bottle that cannot be broken down, the UPPS for each NDC would be as follows:

NDC of “inner” bottle = UPPS of “1”

NDC of “outer” case of 24 bottles = UPPS of “2400” (24 x 100 = 2400)

If, in the above example, the “inner” NDC represents a bottle of 100 that cannot be broken down for individual tablet dispensing, then the UPPS would be “100” for that NDC. In either case, however, pricing (AMP/BP) is always the value of one unit (i.e., TAB, ML, TDP, etc...) regardless of whether it is dispensed by the “inner” or “outer” NDC.

### **UPDATES TO THE OPERATIONAL TRAINING GUIDE**

Pages O2 and O4 are revised to remove Vince Powell as an operational staff member and, as appropriate, substitute other operational staff. Page O5 is updated to change the contact for region VII and to correct the exclusion of Utah in Region VIII. Please share this information with the appropriate staff and replace these pages in your guide.

### **OTHER ATTACHMENT**

A copy of the current listing of the 91-day Treasury bill auction rates beginning with the period August 9, 2004, is 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.

/s/

Edward C. Gendron

Director

Finance, Systems and Budget Group

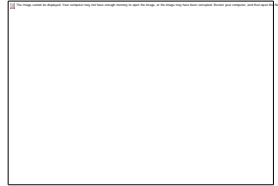
4 Attachments

cc:

All Regional Administrators

All Associate Regional Administrators, Division of Medicaid

# CMS DRUG REBATE PROGRAM



Area Code 410

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**CMS DRUG REBATE PROGRAM  
PRIMARY FUNCTIONS/CONTACT PERSON**

**Primary Function**

**Contact Person**

Contact Changes (labelers and states)  
CPI-U Values  
Data Edit Reports

Karen Leshko  
Karen Leshko  
Karen Leshko, Tamara Bruce  
Cindy Bergin, Sue Williams

Data Submission (labelers)

Karen Leshko, Sue Williams  
Tamara Bruce, Cindy Bergin

Data Submission (states)

Cindy Bergin, Tamara Bruce  
Sue Williams, Karen Leshko

Diskette Installation/Problems  
Dispute Resolution

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HIV/AIDS Drugs  
Interest Calculation

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Marge Watchorn  
Tamara Bruce, Cindy Bergin  
Sue Williams, Karen Leshko

Invoice  
Policy Issues (general)

Sue Williams, Cindy Bergin  
Kim  
Howell, Christina Lyon, Gail  
Sexton, Marge Watchorn,

Prior Quarter Adjustment Statement  
Prior Period Adjustments

Bernadette Leeds,  
Yolanda Reese, Madlyn Kruh  
Sue Williams  
Tamara Bruce, Sue Williams  
Karen Leshko, Cindy Bergin

Reconciliation of State Invoice  
State Tape  
T-bill Rates  
Training Guide  
VHCA/340B Drug Pricing

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**WEEKLY U.S. T-BILL INVESTMENT RATE**  
 weekly 91-day treasury bill auction rates

<b>Date of Auction</b>	<b>Invest. Rate</b>	<b>Date of Auction</b>	<b>Invest. Rate</b>	<b>Date of Auction</b>	<b>Invest. Rate</b>
08-09-04	1.497	03-07-05	2.767	10-03-05	3.606
08-16-04	1.498	03-14-05	2.792	10-11-05	3.714
08-23-04	1.541	03-21-05	2.859	10-17-05	3.875
08-30-04	1.607	03-28-05	2.839	10-24-05	3.942
09-06-04	1.663	04-04-05	2.792	10-31-05	3.983
09-13-04	1.671	04-11-05	2.767	11-07-05	3.963
09-20-04	1.716	04-18-05	2.864	11-14-05	4.004
09-27-04	1.741	04-25-05	2.941	11-21-05	4.034
10-04-04	1.716	05-02-05	2.931	11-28-05	3.994
10-12-04	1.711	05-09-05	2.911		
10-18-04	1.803	05-16-05	2.859		
10-25-04	1.890	05-23-05	2.957		
11-01-04	1.987	05-31-05	2.998		
11-08-04	2.084	06-06-05	3.029		
11-15-04	2.115	06-13-05	3.039		
11-22-04	2.197	06-20-05	3.029		
11-29-04	2.380	06-27-05	3.147		
12-06-04	2.253	07-05-05	3.214		
12-13-04	2.243	07-11-05	3.204		
12-20-04	2.223	07-18-05	3.292		
12-27-04	2.269	07-25-05	3.420		
01-03-05	2.320	08-01-05	3.477		
01-10-05	2.376	08-08-05	3.539		
01-18-05	2.407	08-15-05	3.549		
01-24-05	2.366	08-22-05	3.539		
01-31-05	2.525	08-29-05	3.575		
02-07-05	2.530	09-06-05	3.513		
02-14-05	2.592	09-12-05	3.529		
02-22-05	2.669	09-19-05	3.575		
02-28-05	2.772	09-26-05	3.518		



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