

6325 Security Boulevard
Baltimore, MD 21207

JUL 15 1991

MEDICAID DRUG REBATE PROGRAM

Release No. 12

NOTE TO: All State Medicaid Directors

* * * IMMEDIATE ATTENTION REQUIRED * * *



On May 24, I advised you that I had sent all the January - March quarter data we had at that time for participating drug manufacturers to your technical contacts for the Drug Rebate Program. My letter (Release No. 7) indicated that we would send you in mid-July an update of the January - March quarter file, which we hoped would reflect more comprehensive data as well as the correction of errors identified in the interim.

I wrote to you on May 31 (Release No. 8) regarding our decision to postpone for sixty days, until July 30, the requirement that States send their January - March quarter utilization data to participating drug manufacturers. As explained in that letter, our decision was prompted by the lack of baseline and/or first quarter pricing data from many of the manufacturers that had recently come into the program, and problems with incorrect data in the Unit Type and other fields.

On June 28, I sent each participating manufacturer the key drug data that they had earlier submitted to HCFA, as well as the Unit Rebate Amounts we had calculated for each drug product. The manufacturers were asked to review these data for completeness and accuracy, and to transmit any additions or corrections to us no later than July 9.

Today, I am sending your technical contact the promised January - March quarter update file. It includes data for a number of manufacturers and products not represented on the May 23 file, as well as data corrections that drug manufacturers submitted to us by July 9. This file should be used in preparing your State's utilization reports, or in validating your earlier reports if your State already sent to manufacturers the January - March quarter utilization data.


While HCFA has identified the utilization data elements that States must send to participating manufacturers, and has disseminated the record layout you must use in submitting such data to manufacturers and HCFA, we are not prescribing the medium (e.g., hardcopy, diskette, tape) by which you send your data to the manufacturers. Rather we expect each State to decide upon the appropriate data transmission medium in consultation with the participating manufacturers.

On May 24, I sent all States a diskette containing the names, telephone numbers and addresses of the legal, financial and technical contacts for each manufacturer. Conversely, on June 10, I sent all participating manufacturers a hard copy listing of the names, addresses and telephone numbers of the drug program technical and policy contacts for each Medicaid State Agency.

Finally, we were advised on July 9 that Pharmedic Laboratories, Incorporated (Labeler Code 58916) has changed its name to Nutraceutical Laboratories, Incorporated. The technical and financial contact is:

Sue Othman, Ph.D.
Financial and Technical Director
P.O. Box 820
Wheeling, Illinois 60090
Telephone: (708) 520-7218 or
(800) 845-2296

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


Christine Nye
Director
Medicaid Bureau

cc:

All State Technical Contacts
All Associate Regional Administrators for Medicaid
All Regional Representatives