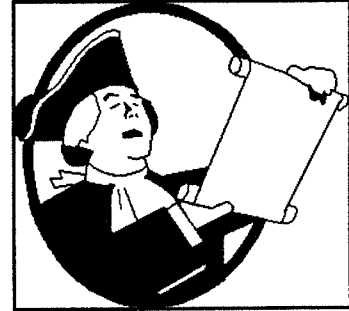




SEP 16 1992

6325 Security Boulevard
Baltimore, MD 21207



MEDICAID DRUG REBATE PROGRAM

Release No. 24

*** * * IMMEDIATE ATTENTION REQUIRED * * ***

TO: All State Medicaid Directors

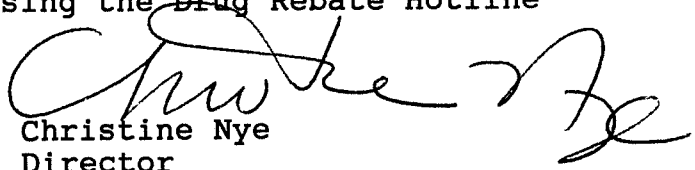
HCFA DESI DRUG LISTING EFFECTIVE DATE MOVED TO JANUARY 1, 1993

Background. In Release Number 23, dated August 11, 1992, we informed you that effective October 1, States should rely upon the new DESI codes shown on our mid-August pricing tape to identify Less-Than-Effective (LTE) and Identical, Related or Similar (IRS) drugs.

Problems Found with LTE/IRS Drugs Shown in Mid-August Pricing Tape. In recent discussions with State representatives of our Systems and Pharmacy technical advisory groups, we were informed that our mid-August pricing tape contained a number of drugs which these experts believe have been mis-coded by the drug labelers; i.e. the labelers coded them as LTE/IRS drugs (either a "5" or a "6" code) when, in fact, they may not be.

HCFA Revising DESI Coded Drug List. In order to make certain we are listing only those drugs which should be considered LTE/IRS drugs by States, we have decided to verify each drug on that list with all affected manufacturers. This process will take several weeks. We will have a revised list completed in time for our November 15 quarterly pricing tape. The DESI indicator values on that tape will be the standard that HCFA and States should rely on for all prescriptions with a date of service beginning January 1, 1993. In the interim, you should proceed to operate under current policy, i.e. State identification of LTE/IRS drugs.

Please continue to contact us by using the Drug Rebate Hotline number at (410) 966-3249.


Christine Nye
Director
Medicaid Bureau

CC:
All State Technical Contacts
All Regional Administrators
All Associate Regional Administrators for Medicaid