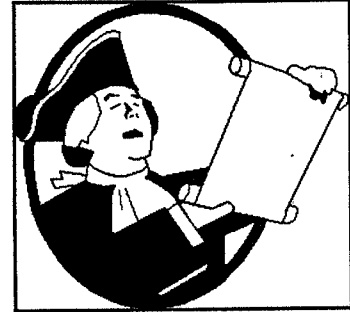


6325 Security Boulevard
Baltimore, MD 21207

SEP 24 1992

MEDICAID DRUG REBATE PROGRAM

Release No. 25

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

NOTE TO: All State Medicaid Directors

CLARIFICATION ON MEDICAID POLICY REGARDING VACCINES

In Release Number 23 dated August 11, 1992, we reported that we received information that First DataBank (FDB) had informed some States that Medicaid coverage of a Hepatitis-B vaccine is unavailable. We have since learned from FDB that their information was supplied to States to indicate vaccines were not part of the drug rebate program. We are again clarifying our policy since some States may be incorrectly interpreting the exclusion of vaccines from the Medicaid drug rebate program to deny coverage of vaccines altogether from Medicaid.

As indicated in Release Number 19 dated May 18, 1992 and reiterated in Release Number 23, we are reminding States that the coverage of vaccines under the Medicaid program is optional, but vaccines are not subject to the Federal Medicaid drug rebate program. Thus, States should not base coverage decisions on vaccines upon data relating to the drug rebate program.

Further, if a State decides to reimburse vaccines through the prescription drug program, the State must separate out pharmacy claims for vaccines from pharmacy claims for drugs which are subject to the drug rebate program when submitting its utilization information to manufacturers. We would also appreciate your assistance in identifying vaccines that have been listed as covered outpatient drugs in the drug rebate program. Upon your notification, and after our confirmation with the manufacturer, we will remove identified vaccines from our list of drug products covered by the rebate program.

NEW LABELER CODES

The following drug companies signed rebate agreements which are effective on the following dates:

October 1, 1992:

Hall Laboratories, Incorporated (Labeler Code 00417) - contact information is attached.

Drug Guild Distributors, Incorporated (Labeler Code 26032) - contact information is attached.

Nephro-Tech Incorporated (Labeler Code 56528) - contact information is attached.

Richwood Pharmaceutical Company (Labeler Code 58521) - contact information is attached.

January 1, 1993:

Pharm Tech Incorporated (Labeler Code 29294) - contact information is attached.

Wilcole Pharmaceuticals, Incorporated (Labeler Code 58918) - contact information is attached.

TERMINATION OF LABELER CODES

Effective immediately, Nature's Bounty, Incorporated (Labeler Code 74312) is being dropped from the program. The reported labeler code is not an NDC Labeler Code but, instead, pertains to a portion of the Universal Product Code. The company is being notified of this action via separate correspondence.

American Preferred Pharmaceutical, Incorporated (Labeler Code 53445) is being terminated effective November 15, 1992 which, technically, is 60 days from the date of the termination letter sent to that company. In reality, this labeler seems to have gone out of business some months ago. In release 19 dated May 18, 1992, we mentioned that we were unable to contact this company because their telephones were disconnected. Since all mail to their last known address gets returned to the sender, we assume they are no longer in business.

DRUG LABELER INFORMATION CHANGES (Contact sheets attached.)

Reed & Carnrick (Labeler Code 00021) - change to technical contact.

Solvay Pharmaceuticals (Labeler Code 00032) - change to financial contact.

The Purdue Frederick Company (Labeler Code 00034) - all contacts are changed.

The Gray Pharmaceutical Company (Labeler Code 00152) - all contacts are changed.

McGaw, Incorporated (Labeler Code 00264) - change to technical contact.

Muro Pharmaceutical, Incorporated (Labeler Code 00451) - change to financial contact.

Barre-National, Incorporated (Labeler Code 00472) - all contacts are changed.

H.R. Cenci Laboratories, Incorporated (Labeler Code 00556) - change to technical contact.

International Laboratories (Labeler Code 00665) - change to financial contact.

Logen Pharmaceutical, Incorporated (Labeler Code 00820) - change to financial and technical contacts.

Ion Laboratories, Incorporated (Labeler Code 11808) - change of address for all contacts.

Abana Pharmaceuticals, Incorporated (Labeler Code 12463) - all contacts are changed.

Copley Pharmaceutical, Incorporated (Labeler Code 38245) - change to technical contact.

Stafford Miller Company (Labeler Code 55372) - change to technical contact.

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



Christine Nye
Director
Medicaid Bureau

for

1 Attachment

CC:

All State Technical Contacts

All Regional Administrators

All Associate Regional Administrators for Medicaid