



6325 Security Boulevard
Baltimore, MD 21207

JUL 16 1993



MEDICAID DRUG REBATE PROGRAM

Release Number 30

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

NOTE TO: All State Medicaid Directors

NEW LABELER CODES

Ortho Biotech, Incorporated (Labeler code 59676) - was effective for the quarter beginning July 1, 1993 and is affiliated with the Ortho Pharmaceutical Corporation (Labeler Code 00062). Their agreement was received after release #29 was sent to you and before we were ready to generate release #30. It is our understanding that drug products for this labeler are just entering the market.

At this time, we are alerting you that the Schering Corporation has informed us that they have another new labeler code (59930 - Warrick Pharmaceuticals) which they plan to enroll in the drug rebate program. They have requested an effective date of July 1, 1993 which is allowable under the statute.

The following new labelers will be joining the rebate program effective October 1, 1993:

Lange Medical Products, Incorporated (Labeler Code 46716);

Mas Laboratories, Incorporated (Labeler Code 51017);

Boehringer Mannheim Pharmaceutical Corporation (Labeler Code 53169);

Elge, Incorporated (Labeler Code 58298);

Venture Pharmaceuticals, Incorporated (Labeler Code 59785);

Cypress Pharmaceutical, Incorporated (Labeler Code 60258).

INDEX FOR DRUG REBATE NOTES

We are attaching an index that you can use to locate the major topics that we provided to you in our previous 29 releases. It is our intent to update and publish the index quarterly.

DRUG LABELER INFORMATION CHANGES

Effective with this release, we will no longer highlight contact information changes. The cessation of that practice will enable us to save paper, postage, time and trees. The latest contact information will be present for each labeler code in the additional data set contained on the quarterly pricing tape/data cartridge.

At the request of several State personnel, we are working towards modifying the record layout for the contact information in order to replace the financial contact data with data identifying where rebate invoices are to be sent. This change should be ready for the 3-93 quarter. You will be sent a revised record specification as soon as it is ready.

REBATE REMITTANCE/CHECK ADDRESS

At a drug dispute resolution conference held in Baltimore on June 9th, it was strongly suggested by drug labeler representatives that each State publish the address where checks and remittance advice reports should be sent. Therefore, we ask that you send this information to us by the end of August. We will send this revised information to each labeler and share it with each State Medicaid agency. In addition to a name and mailing address, please include a telephone number and a facsimile number.

COVERAGE OF ENTERAL NUTRITIONAL PRODUCTS

States have previously been informed that enteral nutritional products are not included in the Medicaid drug rebate program. However, we want to emphasize that States may reimburse for these medical foods under other Medicaid benefit categories. Even though medical foods and enteral dietary supplements of vitamins, minerals, herbs or other nutritional substances are not regulated by the FDA as drugs, they may still be medically essential for the recipient.

For example, Scientific Hospital Supplies, Incorporated is marketing the brands, Analog, Maxamaid and Maxamum metabolic disease products which are regulated by the FDA as medical foods and not as drugs. These products (or others like them) are for the treatment of rare metabolic diseases and are medically essential in the prevention of severe and irreversible mental retardation. Infants that cannot digest certain amino acids stay on this type of medical food for a good part of their lives to combat metabolic disorders such as mental retardation, low IQs and institutionalization.

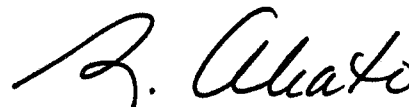
WEEKLY TREASURY BILL DISCOUNT RATES/CPI-U VALUES

Attached is the latest listing of rates which covers the period February 22, 1993 through July 12, 1993. Also, we attached a copy of the CPI-U values through the month of May 1993. The CPI-U value for June was not available when we prepared this note.

TAPE SUBMISSION CHECKLIST

In an effort to eliminate many of the errors that hinder your quarterly tapes/data cartridges from being processed correctly, we have developed the attached checklist for your use. We hope you find it useful.

Please continue to contact us for all other concerns by using the Drug Rebate hotline at (410) 966-3249.



Rozann Abato
Acting Director
Medicaid Bureau

5 Attachments

CC:

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

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(Revised 25 June 1993)

WEEKLY U.S. TREASURY RATE BILL DISCOUNT RATE

The latest weekly 90-day treasury bill auction rates beginning with February 22, 1993, are as follows:

DATE OF AUCTION	TRUE DISCOUNT RATE
02/22/93	3.023
03/01/93	3.035
03/08/93	3.043
03/15/93	3.064
03/22/93	3.003
03/29/93	3.023
04/07/93	2.982
04/12/93	2.954
04/19/93	2.880
04/26/93	2.941
05/03/93	2.941
04/07/93	2.982
05/17/93	3.064
05/24/93	3.125
06/01/93	3.149
06/07/93	3.210
06/14/93	3.137
06/21/93	3.170
06/28/93	3.117
07/06/93	3.076
07/12/93	3.104

**DRUG REBATE PROGRAM
MONTHLY CPI-U VALUES**

1990

MONTH	VALUE
JAN	N/A
FEB	N/A
MAR	N/A
APR	N/A
MAY	N/A
JUN	N/A
JUL	N/A
AUG	N/A
SEP	132.7
OCT	133.5
NOV	133.8
DEC	133.8

1991

MONTH	VALUE
JAN	134.6
FEB	134.8
MAR	135.0
APR	135.2
MAY	135.6
JUN	136.0
JUL	136.2
AUG	136.6
SEP	137.2
OCT	137.4
NOV	137.8
DEC	137.9

1992

MONTH	VALUE
JAN	138.1
FEB	138.6
MAR	139.3
APR	139.5
MAY	139.7
JUN	140.2
JUL	140.5
AUG	140.9
SEP	141.3
OCT	141.8
NOV	142.0
DEC	141.9

1993

MONTH	VALUE
JAN	142.6
FEB	143.1
MAR	143.6
APR	144.0
MAY	144.2
JUN	
JUL	
AUG	
SEP	
OCT	
NOV	
DEC	

1994

MONTH	VALUE
JAN	
FEB	
MAR	
APR	
MAY	
JUN	
JUL	
AUG	
SEP	
OCT	
NOV	
DEC	

1995

MONTH	VALUE
JAN	
FEB	
MAR	
APR	
MAY	
JUN	
JUL	
AUG	
SEP	
OCT	
NOV	
DEC	

STATE TAPES STATUS REPORT

STATE	1/91	2/91	3/91	4/91	1/92	2/92	3/92	4/92	1/93	ALL QTRS
TX	X	X	X	X		X	X	X		
UT	R	X	X	X	X	X				
VA	X	X	X	X	X	X	X			
VT	X	X	X	X	X	X	X	X	X	X
WA	X	X	X	X	X	X	X	X	X*	X*
WI	X	X	X	X	X	X	X	X	X*	X*
WV	X	X	X	X	X	X	X	X	X	X
WY	X	X	X	X	X	X	X	X	X	X
TOTAL	47(45)	49(49)	49(49)	49(47)	49(49)	50(49)	47(47)	42(42)	34(34)	28

* - Tapes received since last (6/14/93) Report.

X - Files processed; good data.

R - Files rejected and must be corrected.

U - State is unable to generate and submit tapes for this Quarter.

Totals shown in parentheses indicate number of usable tapes received.

St. Release 30

**MEDICAID DRUG REBATE PROGRAM
STATE UTILIZATION TAPE SUBMISSION PROCEDURES**

The HCFA the tape library receives a large quantity of tapes from many outside sources. To ensure that your tape is received and processed correctly, please follow the checklist below:

- _____ Is the correct naming convention used for the dataset on tape?
DRUG.REBATE.Uqyy.xx
where q = quarter
yy = year
xx = State abbreviation
DO NOT USE FOREIGN.CART.DRqyy.xx or FOREIGN.TAPE.DRqyy.xx!

- _____ Is there an external label on the tape indicating that it is a drug rebate tape? (A label with a dataset name containing "DRUG.REBATE" will take care of this requirement).

- _____ Did you generate a confirmation letter indicating the file name, volume serial number, and date the tape was sent? Is this letter being sent to the correct address:
Health Care Financing Administration
2-A-1 Security Office Park Building
Attention: Karen Trudel
6325 Security Boulevard
Baltimore, Maryland 21207

- _____ Did you enclose a copy of the confirmation letter with the tape and is it being sent to correct address:
Health Care Financing Administration
Attention: Tape Library
Lyon Building
7131 Rutherford Road
Baltimore, MD 21207

- _____ If you re-used a HCFA tape, did you remove all of HCFA's external labels?

Please adjust your current process to comply with the preceding list. If these standards are not met, the tape librarians will not be able to determine that these are utilization tapes. All unrecognizable tapes are erased by tape library personnel and made available for reuse. See also page 3 of Release No. 8 (technical requirements for tapes) and page 7 of Release No. 23 (addresses for tapes and letters).

If you have any serious problems meeting these requirements, please contact Brian Edwards at (410) 597-3871.