



6325 Security Boulevard
Baltimore, MD 21207

FEB 8 1994

MEDICAID DRUG REBATE PROGRAM

Release Number 35

* * * IMMEDIATE ATTENTION REQUIRED * * *

NOTE TO: All State Medicaid Directors

INVOICE/REMITTANCE ADVICE REPORT SURVEY

For the past 2 years, we have been attempting to design a standardized remittance advice report (RAR) to be used by all drug labelers when they send their rebate checks to the State Medicaid agencies (SMAs). In our quest to develop a usable form, we consulted with State and drug labeler personnel in addition to receiving recommendations from both a special technical group of State representatives and from attendees at two dispute resolution conferences held in Baltimore during 1993.

Currently, all SMAs report their utilization data for purposes of rebate to the drug labelers using a standard invoice record promulgated by the HCFA and approved by the Office of Management and Budget. At the time the invoice record was introduced, we also issued standard record specifications for electronic media reporting. To date, only one State (Ohio) and one drug labeler (Glaxo) are utilizing electronic reporting.

Because we received several recommendations to alter both the invoice and the RAR and to consider incorporating both forms into one universal turn-around document, we are soliciting comments from SMAs and drug labelers as to what approach would be favored by them as they process the drug rebate requests and RARs. Attached is a short survey document that is intended to capture your preferences in this area. Included with the survey document are copies of the invoice and the latest draft of the RAR. We invite any additional comments you have that you believe are not being addressed by the survey document.

To ensure that the person responsible for technical support receives this request, we are sending a copy of the survey document in a separate mailing to the person identified as the technical contact for each SMA. We included a return pre-addressed, franked envelope with each survey document to ensure against this document being sent to the wrong address.

In case the pre-addressed, franked envelope is lost, we are asking that the completed survey form be returned to HCFA by the end of February 1994 at the following address:

MEDICAID DRUG REBATE PROGRAM
POST OFFICE BOX 26686
BALTIMORE, MD 21207

LABELER TERMINATIONS

The following labelers are being terminated effective April 1, 1994 for failure to provide quarterly pricing:

Lyphomed/Novopharm Pharmaceuticals (Label Code 54523);

Novopharm, Incorporated (Labeler Code 55953);

Grupak Laboratories, Incorporated (Labeler Code 57801) has gone out of business and is terminated effective April 1, 1994. Rebate invoices should be sent to: Hospital Central Services, Attention: Corey Kreitz, 2171 28th Street SW, Allentown, PA 18103.

Choice Drug Systems of Maryland (Labeler Code 58469); and

R. A. Pharmaceuticals (Labeler Code 58743).

WEEKLY U.S. TREASURY BILL DISCOUNT RATE

Included with this release is the latest listing of the 90-day treasury bill auction rates for the period January 4, 1993 through January 31, 1994.

NEW DRUG LABELERS

The following drug labelers are joining the program with an effective date of April 1, 1994:

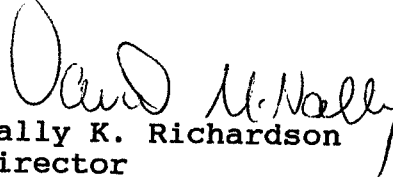
Suppositoria Laboratories (Labeler Code 00414);

Ferring Laboratories, Incorporated (Labeler Code 55566).

OTHER ATTACHMENTS

Copies of the topic index and the latest State Tape Status Report are attached.

Please continue to contact us with your drug rebate questions by using the Drug Rebate hotline at (410) 966-3249.

fr 
Sally K. Richardson
Director
Medicaid Bureau

4 Attachments

cc:

All State Technical Contacts

All Regional Administrators

All Division of Medicaid Associate Regional Administrators

DISPUTE RESOLUTION WORK GROUP
TURNAROUND DOCUMENT QUESTIONNAIRE
FEBRUARY 1994

NOTE: IN YOUR REVIEW OF THE INVOICE AND THE DRAFT VERSION OF THE (REMITTANCE ADVICE REPORT) RAR, WE ASK THAT YOU LIMIT YOUR COMMENTS TO THOSE AREAS/ITEMS THAT YOU DEEM TO BE CRITICAL TO THE DEVELOPMENT OF A STANDARD RAR OR A REVISED INVOICE FORM.

1. On the invoice submitted from States to labelers, would you like to see a separate field that would show the amount reimbursed (to pharmacies) that was paid by recipient co-payment or liable third parties (e.g., Blue Cross/Blue Shield)?

YES NO

2. On the invoice submitted from States to drug labelers, is there a need for an indicator to identify rounded utilization data?

YES NO

3. Of the following data elements, which would you like to have added to the RAR? Place an "X" next to ALL you are interested in.

Interest Element (Showing the interest due with the rebate payment)

Adjustment Indicator (Showing that you made adjustments to State reported data)

Close-out Indicator (Prior Period Adjustments)

Close-out Indicator (12-quarter limitation)

4. When States submit adjustments to utilization data, would you prefer:

Total Replacement of previous utilization data

Incremental Replacement showing changes from previous data reported (changed field only)

5. Which adjustment document should be used by States, for responses to the labelers?

Modified Invoice Modified RAR

6. Do you have any proposals, comments, suggestions, etc., for uniform invoices and/or RARs?

_____ YES _____ NO

If yes, please explain and include forms layouts, record layouts, etc., that will help describe your proposal.

QUESTIONS BELOW FOR STATES ONLY

7. How are you currently reporting adjustments to labelers?

8. Is a "response-to-the-response" document needed that would distinguish whether the adjustment is initiated by revised state utilization or an adjustment to the disputed utilization amount agreed to by the State and labeler?

_____ YES _____ NO

9. Are you having any rounding problems with pharmacies that cannot, as yet, deal with decimal values when dispensing specific package sizes?

_____ YES _____ NO

If yes, please explain the way pharmacies are handling this problem (ex., rounding up, rounding down, truncating, etc.)

STATE OF _____ MEDICAID AGENCY
PAGE _____ OF _____

DATE: _____
SOURCE: STATE AGENCIES
TARGET: MANUFACTURERS

MEDICAID DRUG REBATE INVOICE

MANUFACTURER: _____ STATE CODE: _____ INVOICE #: _____

ADDRESS 1: _____ PERIOD COVERED: _____

ADDRESS 2: _____

CITY: _____ STATE: _____ ZIP: _____

NDC NUMBER	DRUG NAME	REBATE AMT. PER UNIT	TOTAL UNITS REIMB.	TOTAL REBATE AMT. CLAIMED	NO. OF SCRIPTS	TOTAL REIMB. COR AMOUNT	COR FLG

TOTALS: _____ *

Note:
NDC# = Labeler Code (5)
Product Code (4)
Pkg. Size Code (2)

* Please remit this amount to: _____ Medicaid Agency

Address: _____

Attn: _____

**MEDICAID DRUG REBATE
REMITTANCE ADVISE REPORT**

STATE: _____
 QUARTER/YEAR _____
 INVOICE No. _____

CONTACT _____
 PHONE _____
 FAX _____

COMPANY NAME _____
 LABELER CODE _____
 ADDRESS _____

PRODUCT/ PACKAGE CODE	PRODUCT NAME	REBATE AMOUNT PER UNIT	UNITS INVOICED	UNITS PAID	REBATE AMOUNT INVOICED	REBATE AMOUNT PAID	ADJUSTED REBATE PER UNIT	ADJ. CODE	CREDIT/ DEBIT IND.	INVOICE ADJUSTMENT AMOUNT	DISPUTE CODE	WITHHELD INVOICE AMOUNT
TOTAL												

ADJUSTMENT CODES:

1. Rebate amount per unit has been revised by labeler and reported to HCFA.
2. Labeler has calculated rebate where none was provided to State by HCFA.
3. Units invoiced adjusted through corresponding correspondence or telephone contact with State Medicaid Agency.
4. Prior period adjustment. Attach supporting documentation.
5. Rebate amount paid adjusted for interest due. Attach supporting documentation.
6. Labeler/State unit discrepancy (e.g., MG vs ML.)

DISPUTE CODES:

- A. Discontinued/Terminated NDC for which the shelf life expires more than one year ago.
- B. Invalid/mis-coded NDC.
- C. State units invoiced exceed expected unit sales. Attach methodology and data source to support this reason.
- D. Utilization/quantity inconsistent with the number of prescript ions.
- E. Product not rebate eligible. Give details.
- F. No record of sales in this state. Attach data source.
- H. Other. Attach supporting documentation.

WEEKLY U.S. T-BILL DISCOUNT RATE

The latest weekly 90-day treasury bill auction rates beginning with February 4, 1993 are as follows:

DATE OF AUCTION	TRUE DISCOUNT RATE
01/04/93	3.218
01/11/93	3.137
01/19/93	3.096
01/25/93	3.043
02/01/93	3.035
02/08/93	3.003
02/16/93	2.994
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
05/10/93	2.954
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
07/19/93	3.117
07/26/93	3.170
08/02/93	3.170
08/09/93	3.115
08/16/93	3.096
08/23/93	3.087
08/30/93	3.084
09/07/93	3.015
09/13/93	3.043
09/20/93	2.994
09/27/93	2.962
10/04/93	3.023
10/12/93	3.104

DATE OF AUCTION	TRUE DISCOUNT RATE
10/18/93	3.125
10/25/93	3.149
11/01/93	3.178
11/08/93	3.176
11/15/93	3.178
11/22/93	3.209
11/29/93	3.190
12/06/93	3.178
12/13/93	3.125
12/20/93	3.125
12/27/93	3.125
01/03/94	3.170
01/10/94	3.084
01/18/94	3.055
01/24/94	3.023
01/31/94	3.055

STATE TAPES STATUS REPORT

2/1/94

STATE	1/91	2/91	3/91	4/91	1/92	2/92	3/92	4/92	1/93	2/93	3/93	ALL QTRS
AK	X	X	X	X	X	X	X	X	X	X	X	X
AL	X	X	X	X	X	X	X	X	X	X	X	X
AR	X	X	X	X	X	X	X	X	X	X	X	X
CA	X	X	X	X	X	X	X	X	X		X*	
CO	X	X	X	X	X	X	X	X	X*	X*	X*	X
CT	X	X	X	X	X	X	X	X	X	X		
DC	X	X	X	X	X	X	X	X	X	X		
DE	X	X	X	X	X	X	X	X	X	X	X	X
FL	X	X	X	X	X	X	X	X	X	X	X	X
GA	X	X	X	X	X	X	X	X	X	X		
HI	X	X	X	X	X	X	X	X	X		X*	
IA	X	X	X	X	X	X	X	X	X	X		
ID	X	X	X	X	X	X	X	X	X	X	X	X
IL	U	X	X	X	X	X	X	X				
IN	X	X	X	X	X	X	X	X	X	X		
KS	X	X	X	R	X	X	X	X	X	X		
KY	X	X	X	X	X	X	X	X	X	X	X	X
LA	X	X	X	X	X	X	X	X	X	X	X	X
MA	X	X	X	X	X	X	X	X	X	X	X	X
MD	X	X		X	X	X	X	X	X	X		
ME	X	X	X	X	X	X	X	X	X	X	X	X
MI	X	X	X	X	X	X	X	X	X	X	X	X
MN	X	X	X	X	X	X	X	X	X	X	X	X
MO	X	X	X	X	X	X	X	X	X	X	X*	X
MS	U	X	X	X	X	X	X	X	X	X		
MT	X	X	X	X	X	X	X	X	X	X	X	X
NC	X	X	X	X	X	X	X	X	X	X	X	X
ND	X	X	X	X	X	X	X	X	X	X	X	X
NE	X	X	X	X	X	X	X	X	X	X	X	X
NH	X	X	X	X	X	X	X	X	X	X	X	X
NJ	X	X	X	X	X	X	X	X	X	X*		
NM	U	U	X	X	X	X	X	X	X		X*	
NV	R	X	X	X	X	X	X	X	X	X*		
NY	X	X	X	X	X	X	X	X	X	R		
OH	X	X	X	X	X	X	X	X	X	X	X*	X
OK	X	X	X	X	X	X	X	X	X	X	X*	X
OR	X	X	X	X	X	X	X	X	X	X		
PA	X	X	X	X	X	X	X	X	X	R*	X	
RI	X	X	X	X	X	X	X	X	X	X	X	X
SC	X	X	X	X	X	X	X	X	X	X	X	X
SD	X	X	X	X	X	X	X	X	X	X	X	X
TN	X	X	X	X	X	X	X	X	X			

STATE TAPES STATUS REPORT

STATE	1/91	2/91	3/91	4/91	1/92	2/92	3/92	4/92	1/93	2/93	3/93	ALL QTRS
TX	X	X	X	X		X	X	X	X	X		
UT	R	X	X	X	X	X	X	X	X	X		
VA	X	X	X	X	X	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	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	R*	
TOTAL	47-45	49-49	49-49	50-49	49-49	50-50	50-50	50-50	49-49	44-42	32-31	26

* - Tapes received since last (1/3/94) 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.

Second Total amount shown indicates number of usable tapes received.

STATE DISPOSITION STATUS REPORT

2/1/94

STATE	1/91	2/91	3/91	4/91	1/92	2/92	3/92	4/92	1/93	2/93	3/93
AK	4252	4894	5232	5305	5329	5471	5407	5518	5587	5309	5906
AL	6745	11899	13893	14932	15542	15602	15355	15723	16191	15606	14692
AR	14565	15852	15191	15171	14967	14470	14219	14663	14474	14374	14418
CA	8142	11026	11500	11279	10871	10791	9207	9401	11830		9863
CO	7026	7837	9010	9019	9327	9909	10138	10382	10625	10458	10223
CT	9278	8330	11074	11669	11683	12123	12022	12338	12478	12470	
DC	5451	6214	6584	6556	7337	7316	7853	6816	7465	7525	
DE	5556	1887*	6800	7119	7417	8221	7345	7730	7851	7925	7825
FL	19360	22136	21784	20985	21369	21295	21633	21289	21576	20993	20599
GA	14603	17609	17781	18152	17741	18005	17345	16381	16724	16309	
HI	7168	8012	8489	8471	8343	8260	8464	8279	8538		8676
IA	14040	15171	15396	15562	15977	15617	15704	15009	14794	13895	
ID	15918	16944	17064	8981	9434	9541	9091	9116	8843	9302	9175
IL		1370*	21498	22514	22050	21431	21258	21622			
IN	20237	22273	22506	23727	23526	23659	19742	19536	20118	20147	
KS	9053	10514	11414		11870	12029	12190	12063	12084	11976	
KY	12793	15926	16554	16898	17336	17539	17484	17624	17481	16735	16805
LA	14680	16659	15555	15994	16013	15971	15699	15485	15868	15681	15601
MA	11936	12641	4857	13977	14243	13889	14693	14224	14088	13040	14003
MD	13192	14291		14530	15995	14537	14671	14340	15022	14044	
ME	8172	8416	8470	8830	9115	9046	9042	9024	9387	9760	9104
MI	2305*	16257	16554	17069	17205	17335	17637	17891	17501	17545	17604
MN	13816	14459	14558	14857	14443	14663	14090	14496	14540	14492	14283
MO	11955	17499	19716	20550	20304	21182	23179	20678	19361	20458	20228
MS		5942	13878	12760	15166	15808	15807	15805	14783	14335	
MT	7477	8644	8810	8918	9148	9316	9118	9133	9336	9367	9236
NC	9866	10528	14705	15165	15658	15436	15814	15750	16222	15856	15847
ND	6180	6743	6798	6854	7021	6980	6885	6786	6832	6997	6767
NE	2349*	2514*	2513*	7488	11275	11694	11455	13524	13693	14057	13788
NH	7740	7415	9509	9222	10626	9856	9470	9792	9746	9928	9947
NJ	15918	16944	17064	16807	16321	16806	15309	15315	16093	15942	
NM			10471	10924	10869	10442	10206	10459	10576		10775
NV		7247	7039	7431	7635	7739	7609	7952	7320	7573	
NY	17836	18723	20107	21445	21736	21469	14033	23710	26458		
OH	18484	20018	21435	21659	22213	21528	21517	21529	21243	20337	20876
OK	11007	11590	12403		2037*	2304*	12791	13135	13129	13059	12354
OR	11552	12579	12777	12936	13187	13178	14045	12907	12765	13213	
PA	20848	23048	22976	23746	23324	21785	21874	21894	22122		20041
RI	8231	9064	9247	9135	9605	9590	9388	9316	9935	9483	9318
SC	12917	13856	14090	13859	13332	13363	13353	13447	13278	13329	13099
SD	5317	6815	7577	7346	7517	7550	7508	6920	7588	7566	6939
TN	15997	17348	18398	18663	19223	19095	18161	18367	18593		

STATE DISPOSITION STATUS REPORT

2

STATE	1/91	2/91	3/91	4/91	1/92	2/92	3/92	4/92	1/93	2/93	3/93
TX	13653	14502	14713	14039		15420	15279	15255	15693	15263	
UT		10539	10309	10517	10853	10904	10876	9901	10003	9984	
VA	17056	19116	18810	19392	19410	19200	19777	19470	18312	18472	17909
VT	6255	6860	7005	7259	7356	7395	7324	7353	7437		7529
WA	12198	12869	12853	12761	13730		13519	13732	13782	13870	13695
WI	6024	15380	15994	15986	16161	16198	16244	16406	16453	16154	
WV	1352*	9122	11244	11405	11568	11444	11920	10885	11767	11977	
WY	5322	6404	6293	6621	5436	6084	6334	6385	6630	6504	
TOTAL	45	49	49	48	49	49	50	50	49	42	31

* - Indicates States submitting less than 5000 records in a Quarter.

Totals shown indicate number of States submitting usable tapes.