

February 3, 1995

MEDICAID DRUG REBATE PROGRAM

Release Number 47

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

NOTE TO: All State Medicaid Directors

STATE PLAN AMENDMENT REQUIREMENT

We are taking this opportunity to remind all States that a State plan amendment must be submitted to the appropriate regional office whenever a State proposes to change reimbursement methodologies or dispensing fees under the Medicaid drug program. It has come to our attention that some States may be planning to change reimbursement amounts or methodologies or dispensing fees to pharmacists without submitting a State plan amendment. Please ensure that any change, whether it be an increase or a decrease in reimbursement for drugs, **must** be approved through the State plan process as specified in current drug regulations at 42 CFR 447.301-333.

NEW LABELERS

We received a rebate agreement from Monarch Pharmaceutical Corporation (Labeler Code 61570) which is a new company owned by King Pharmaceuticals, Incorporated. Since their parent company is already a participating labeler, Monarch Pharmaceutical Corporation will be joining the rebate program retroactive to January 1, 1995.

We also received a rebate agreement from InSource, Incorporated (Labeler Code 58441) which is a new company owned by InSource Williams, Incorporated. Since their parent company is already a participating labeler, InSource, Incorporated will be joining the rebate program retroactive to January 1, 1995.

The following labelers have entered into drug rebate agreements and will join the rebate program on April 1, 1995:

Warner-Lambert (Labeler Code 00501);

Select Brand Distributors (Labeler Code 15127);

Heartland Healthcare Services (Labeler Code 61392); and

LTC Products, Incorporated (Labeler Code 61598).

#### **LABELER TERMINATION**

Oaktree Products, Incorporated (Labeler Code 59256) has requested termination from the program which will be effective on April 1, 1995.

#### **OTHER ATTACHMENTS**

Copies of the topic index and the latest listing of the 90-day treasury bill auction rates for the period of July 5, 1994 through January 30, 1995 are attached.

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

Sally K. Richardson  
Director  
Medicaid Bureau

2 Attachments

cc:

All State Technical Contacts

All Regional Administrators

All Associate Regional Administrators Division of Medicaid

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state47.WP