

DRAFT

MEDICAID DRUG REBATE
REMITTANCE ADVICE REPORT
MANUFACTURER INSTRUCTIONS

The Medicaid Drug Rebate Remittance Advice Report (RAR) is the mandatory form developed to maintain uniformity in the remittance of rebate payments to States from drug manufacturers participating in the program. Each participating manufacturer must complete and submit the RAR within 30 days of receiving State drug utilization information on the number of units paid, by NDC number. The RAR is available in two formats, paper and electronic, depending on the needs of the user. The electronic format consists of four 80-character records which may be incorporated into a PC database or telecommunications system (e.g., Ordernet). These instructions are provided as an aid in developing the data contained in the report.

The following information must accompany each rebate payment made to a State:

I. For every Labeler Code:

1. Period Covered
2. Invoice Number
3. State
4. Labeler Code
5. Company Name and Address
6. Contact Name
7. Phone Number
8. Phone Extension (if applicable)
9. Contact Fax Number

II. For every NDC:

1. Product Code
2. Package Size Code
3. Product Name
4. Rebate Amount Per Unit
5. Units Invoiced
6. Units Paid
7. Rebate Amount Invoiced (if available)
8. Rebate Amount Paid

III. For every NDC where an adjustment has occurred:

1. All data from II above
2. Adjusted Rebate Per Unit
3. Adjustment Code(s)
4. Credit/Debit Indicator
5. Invoice Adjustment Amount

IV. For every NDC where a dispute has occurred:

1. All data from II above
2. Dispute Code(s)
3. Withheld Invoice Amount

Please refer to the accompanying data dictionary for detailed information on each field.

INSTRUCTIONS FOR PAPER REPORTING:

1. Prepare a separate report for each quarter.
2. Include information for each NDC submitted on the State invoice for the quarter.
3. Provide grand totals for the Units Invoiced, Units Paid, Rebate Amount Invoiced, and the Rebate Amount Paid. If applicable, also provide grand totals for the Invoice Adjustment Amount and the Withheld Invoice Amount.
4. Include this form with all rebate payments made to a State.

INSTRUCTIONS FOR ELECTRONIC REPORTING:

1. Transmit one Record 1 for each quarter.
2. Transmit one Record 2 for each NDC submitted on the State invoice for the quarter.
3. Transmit one Record 3 for each NDC if:
 - a. an adjustment has been made to the Rebate Amount Per Unit or Rebate Amount Invoiced; or,
 - b. there is a dispute in the Units Invoiced and all, or a portion, of the Rebate Amount Invoiced is being withheld.
4. Transmit Record 4 (Totals record) for each quarter.
5. Transmit a Remittance Advice Report file for all rebate payments made to a State..

INSTRUCTIONS FOR PREPARING PRIOR PERIOD ADJUSTMENTS:

1. Complete a separate report for each quarter in which an adjustment has occurred.
2. The Rebate Amount Invoiced and the Rebate Amount Paid will reflect the data for the period for which the invoice and payment were made (not the current quarter).
3. Provide the Adjusted Rebate Per Unit only for the NDCs affected.
4. Enter "4" as the Adjustment Code for each NDC.
5. Use the Credit/Debit Indicator (C or D) to designate the adjustment action taken.

Example: C - Manufacturer has overpaid. Subtract this amount from the Rebate Amount Invoiced.

 D - Manufacturer has underpaid. Add this amount to the Rebate Amount Invoiced.
6. Provide the Invoice Adjustment Amount for each affected NDC.
7. Calculate the Total Invoice Adjustment Amount for all affected NDCs combined.
8. If it is determined that the Total Invoice Adjustment Amount is a credit to the manufacturer, it may be applied to the Rebate Amount Paid for the current quarter. If the Total Invoice Adjustment Amount is a debit, it must be paid to the State with the payment for the current quarter.
9. Submit the RAR to the State with the adjusted rebate payment. If the adjustment is applied to the Rebate Amount Paid for the current quarter, the RAR and the current quarter report must accompany the payment.
10. If the period involved is closed-out, use dispute code I.

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**MEDICAID DRUG REBATE REMITTANCE ADVICE REPORT
AUTOMATED REPORTING FORMAT**

RECORD 1			
FIELD	SIZE	POSITION	REMARKS
RECORD ID	1	1 - 1	CONSTANT OF "1"
PERIOD COVERED	3	2 - 4	QYY
INVOICE NUMBER	10	5 - 14	CORRESPONDS TO STATE INVOICE NUMBER
STATE	2	15 - 16	TWO POSITION POSTAL ABBREVIATION
LABELER CODE	5	17 - 21	NDC #1
COMPANY NAME	25	22 - 46	FIRST 25 POSITIONS OF COMPANY NAME
CONTACT NAME	20	47 - 66	LABELER'S CONTACT PERSON
PHONE	10	67 - 76	AREA CODE AND PHONE NUMBER OF CONTACT
EXTENSION	4	77 - 80	PHONE EXTENSION OF CONTACT OR BLANK

RECORD 2			
FIELD	SIZE	POSITION	REMARKS
RECORD ID	1	1 - 1	CONSTANT OF "2"
STATE	2	2 - 3	TWO POSITION POSTAL ABBREVIATION
LABELER CODE	5	4 - 8	NDC #1
PRODUCT CODE	4	9 - 12	NDC #2
PACKAGE SIZE CODE	2	13 - 14	NDC #3
PRODUCT NAME	10	15 - 24	FIRST TEN POSITIONS OF PRODUCT NAME
REBATE AMOUNT PER UNIT	11	25 - 35	99999V999999
UNITS INVOICED	12	36 - 47	999999999V999
UNITS PAID	12	48 - 59	999999999V999
REBATE AMOUNT INVOICED	9	60 - 68	9999999V99
REBATE AMOUNT PAID	9	69 - 77	9999999V99
FILLER	3	78 - 80	

MEDICAID DRUG REBATE REMITTANCE ADVICE REPORT AUTOMATED REPORTING FORMAT

RECORD 3			
FIELD	SIZE	POSITION	REMARKS
RECORD ID	1	1 - 1	CONSTANT OF "3"
STATE	2	2 - 3	TWO POSITION POSTAL ABBREVIATION
LABELER CODE	5	4 - 8	NDC #1
PRODUCT CODE	4	9 - 12	NDC #2
PACKAGE SIZE CODE	2	13 - 14	NDC #3
ADJUSTED REBATE PER UNIT	11	15 - 25	99999V999999
ADJUSTMENT CODES	3	26 - 28	SEE LIST OF ADJUSTMENT CODES
CREDIT/DEBIT INDICATOR	1	29 - 29	"C" OR "D"
INVOICE ADJUSTMENT AMOUNT	11	30 - 40	99999V999999
DISPUTE CODES	3	41 - 43	SEE LIST OF DISPUTE CODES
WITHHELD INVOICE AMOUNT	9	44 - 52	9999999V99
FILLER	28	53 - 80	

RECORD 4			
FIELD	SIZE	POSITION	REMARKS
RECORD ID	1	1 - 1	CONSTANT OF "4"
STATE	2	2 - 3	TWO POSITION POSTAL ABBREVIATION
LABELER CODE	5	4 - 8	NDC #1
TOTAL UNITS INVOICED	10	9 - 18	TOTAL FOR ALL NDCs 99999999V99
TOTAL UNITS PAID	10	19 - 28	TOTAL FOR ALL NDCs 99999999V99
TOTAL REBATE AMT INVOICED	10	29 - 38	TOTAL FOR ALL NDCs 99999999V99
TOAL REBATE AMOUNT PAID	10	39 - 48	TOTAL FOR ALL NDCs 99999999V99
TOTAL INV ADJMT AMOUNT	10	49 - 58	TOTAL FOR ALL NDCs 99999999V99
TOTAL WITHHELD INV AMOUNT	10	59 - 68	TOTAL FOR ALL NDCs 99999999V99
LABELER CONTACT FAX NO.	10	69 - 78	AREA CODE AND FAX NUMBER OF CONTACT
FILLER	2	79 - 80	

MEDICAID DRUG REBATE REMITTANCE ADVISE REPORT ADJUSTMENT AND DISPUTE CODES

ADJUSTMENT CODES: (Maximum of 3 permitted)

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 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 with amount of interest paid.
6. Labeler/State unit discrepancy (e.g., GM vs ML).

DISPUTE CODES: (Maximum of 3 permitted)

- A. Discontinued/Terminated NDC for which the shelf life expired more than one year ago.
- B. Invalid/miscoded NDC.
- C. State units invoiced exceed expected unit sales. Attach methodology and data source to support this reason.
- D. Utilization/quantity is inconsistent with the number of prescriptions.
- E. Utilization/quantity is inconsistent with pharmacy reimbursement levels.
- F. Product not rebate eligible. Give details.
- G. No record of sales in this state. Attach data source.
- H. Other. Attach supporting documentation.
- I. Closed Out. All disputes settled.

WEEKLY U.S. T-BILL DISCOUNT RATE

The latest weekly 90-day treasury bill auction rates for July 5, 1994 through February 21, 1995 are as follows:

DATE OF AUCTION	TRUE DISCOUNT RATE
07/05/94	4.416
07/11/94	4.613
07/18/94	4.416
07/25/94	4.543
08/01/94	4.461
08/08/94	4.543
08/15/94	4.707
08/22/94	4.742
08/29/94	4.728
09/06/94	4.699
09/12/94	4.728
09/19/94	4.728
09/26/94	4.917
10/03/94	5.053
10/10/94	5.053
10/17/94	5.053
10/24/94	5.209
10/31/94	5.209
11/07/94	5.394
11/14/94	5.435
11/21/94	5.550
11/28/94	5.592
12/05/94	6.001
12/12/94	5.926
12/19/94	5.749
12/27/94	5.716
01/03/95	5.947
01/09/95	6.042
01/17/95	5.939
01/23/95	5.968
01/30/95	5.959
02/06/95	6.001
02/13/95	5.988
02/21/95	5.906