

May 16, 1995

MEDICAID DRUG REBATE PROGRAM

Release Number 52

* * * IMMEDIATE ATTENTION REQUIRED * * *

NOTE TO: All State Medicaid Directors

NEW ADDRESSES FOR MAGNETIC MEDIA SHIPMENTS AND CONFIRMATION LETTERS

Effective June 1, 1995, the Health Care Financing Administration Data Center (HDC) is moving. The following addresses should be used when sending materials to the HCFA:

All tapes and data cartridges should be mailed to:

Health Care Financing Administration
Attention: HCFA Data Center
Tape Library
7500 Security Boulevard
Baltimore, Maryland 21244

Shipment confirmation letters should be generated every quarter and mailed to:

Health Care Financing Administration
Mail Stop N-2-15-05
Attention: Brian Edwards
7500 Security Boulevard
Baltimore, Maryland 21244

CHANGES DUE TO DRUG REBATE STAFF RE-LOCATION

The Medicaid drug rebate staff will move to the new building site during the weekend of July 22, 1995. At that time, the telephone exchanges will be converted from 965 and 966 to 786. Therefore, the drug rebate hotline will be reached at (410) 786-3249.

Regular drug rebate correspondence can continue to be sent to Post Office Box 26686, Baltimore, Maryland 21207. In those instances where a physical location is needed when shipping via express delivery services, the following new address can be used effective July 24, 1995:

Health Care Financing Administration
Medicaid Drug Rebate Program
Mail Stop C-4-16-07
7500 Security Boulevard
Baltimore, Maryland 21244

REMITTANCE ADVICE REPORT (RAR) IMPLEMENTATION

The Office of Management and Budget (OMB) approved the data collection contained on the RAR through July 1996. However, we are delaying the required use of the RAR until implementation issues are resolved. For your information, attached is the RAR form with the OMB approval number and the required burden statement.

We are soliciting volunteers to participate in an implementation workgroup to resolve issues rising from labelers' attempts to complete the RAR. HCFA received requests from labelers for clarification of some of the RAR data fields when certain situations occur. We presented some of the labelers' concerns to the State System Technical Advisory Group (S-TAG). There are conflicting responses among the labelers and States to some of the concerns, and a few new operational concerns and issues arose from speaking with the S-TAG members. The two main issues the implementation workgroup will attempt to resolve pertain to standardizing the process for reporting utilization data changes to labelers and redeveloping the process for prior period adjustments (unit rebate amount changes) as they pertain to rebate payments

We plan for the implementation workgroup to consist of ten representatives, five from both the States and labelers (with no more than two systems representatives from each side), and at least three HCFA staff. We anticipate the workgroup meeting face-to-face for two days with subsequent meetings via teleconference. Details of the workgroup's activities and timetable will be completed once the workgroup members are selected. However, we are hopeful that resolutions of the issues will come quickly to enable a sufficient implementation period and ample time to review feedback once the RAR is in place.

If you are interested in participating in the RAR Implementation Workgroup, please contact Sue Williams at 410-966-5940 or Vince Powell at 410-966-3334 no later than May 31, 1995.

NEW LABELERS

The following labelers have entered into drug rebate agreements and will join the rebate program as of July 1, 1995:

Healthpoint Medical (Labeler Code 00640);

Rh Pharmaceuticals, Incorporated (Labeler Code 60492); and

Liposome Technology, Incorporated (Labeler Code 61471).

LABELER TERMINATION

Nutraceutical Laboratories, Incorporated (Labeler Code 58916) has requested termination from the rebate program to be effective as of July 1, 1995.

REGIONAL OFFICE DRUG REBATE COORDINATORS

Attached is a list of the HCFA Regional Office Coordinators who can be contacted for assistance in resolving rebate disputes. They are trained to act as facilitators in getting the States and drug labelers to communicate with each other and to encourage both parties to share or furnish additional information that will increase the probability of reaching a settlement of the dispute. We strongly recommend that you seek their assistance when you are unable to reach a settlement.

FEDERAL REGISTER NOTICE ON THE FEDERAL ACQUISITION STREAMLINING ACT OF 1994

The Federal Acquisition and Streamlining Act (FASA) of 1994 (Public Law 103-355) was signed on October 13, 1994. Section 1555 of FASA 94 permits the General Services Administration (GSA) to allow state and local governments to purchase from the GSA's Federal supply schedules (FSS). This buying authority would have included the FSS for pharmaceuticals, which has been delegated to the Department of Veterans Affairs. Thus, State and local governments could have been eligible to purchase drugs and pharmaceutical products from the FSS for the many programs which they administer.

However, in a GSA proposed notice published in the Federal Register on April 7, 1995, FR 17764-17769 v. 60, GSA decided not to permit State and local governments to purchase drugs and pharmaceutical products from the FSS. (See page 17765, item 6.) In the summary section of the Federal Register notice on page 17764, the notice states the following:

The General Services Administration (GSA) requests comments on its proposed plan for implementing Section 1555 of the Federal Acquisition Streamlining Act of 1994 (Pub. L. 103-355) which deals with Cooperative Purchasing. GSA is particularly interested in receiving comments on the level of interest on the part of State and local governments in using Federal supply schedules and in identifying the schedules which are of greatest interest. Any comments on or suggestions regarding the determination not to make FSC 65 I B, Drugs and pharmaceutical products and FSC 65 VII, Medical equipment and supplies available for use by non-Federal users or other aspects of the proposed implementation plan are also welcome."

DATES: Comments on the proposed implementation plan shall be submitted June 6, 1995, to be considered in the formulation of the final implementation plan.

We recommend that States review this Federal Register notice and submit any comments to GSA before the June 6, 1995 deadline. For further information, contact Mr. Les Davison, Office of GSA Acquisition Policy, (202) 501-1224.

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 May 8, 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

4 Attachments

cc:

All State Technical Contacts
All Regional Administrators
All Associate Regional Administrators Division of Medicaid

FAB134:Dmccarthy, 63314, STATE52, 5-10-95, 5-12-95, 5-15-95

HCFA REGIONAL OFFICE DRUG REBATE COORDINATORS

REGION I - BOSTON Ray Porter (617) 565-1260
HCFABOS(GA88)
States: Connecticut,
New Hampshire, FAX# (617) 565-1339
Maine, Massachusetts,
Rhode Island,
Vermont Address: HCFA
JFK Federal Building
Room 2325
Boston, MA 02203

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REGION II - NEW YORK Reynold Aufraser (212) 264-4786
HCFANYC(GB06)
States: New Jersey
New York FAX# (212) 264-2790
Address: HCFA
Medicaid Operations Branch
Division of Medicaid
26 Federal Plaza
Room 38-130
New York, NY 10278-0063

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REGION III - PHILADELPHIA Tom Ziakowski (215) 596-4161
HCFAPHI(GT23)
States: Delaware, District of
Columbia, Maryland, FAX# (215) 596-5084
Pennsylvania, Virginia,
W. Virginia
Address: DHH-HCFA
P.O. Box 7760
3535 Market Street
Philadelphia, PA 19104

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REGION IV - ATLANTA Mal Williams (404) 331-5889
HCFAATL(GQ56)
States: Alabama, Florida, FAX# (404) 331-0068
Georgia, Kentucky,
Mississippi, Address: HCFA
N. Carolina, Division of Medicaid
S. Carolina, Tennessee Suite 602
101 Marietta Street
Atlanta, GA 30323

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REGIONAL V - CHICAGO Ron Benjamin (312) 353-5969
HCFACHI(GK75)
States: Illinois, Indiana, FAX# (312) 353-5927
Michigan, Minnesota,
Ohio, Wisconsin Address: HCFA
105 W Adams Street
15th Floor
Chicago, IL 60603

REGION VI - DALLAS Joe Reeder (214) 767-6279
DAL1(JREEDER)
States: Arkansas, Louisiana, FAX# (214) 767-6400
New Mexico, Oklahoma,
Texas
Address: HCFA
1200 Main Tower
Suite 2000
Dallas, TX 75202

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REGION VII - KANSAS CITY John Woody (816) 426-3406
HCFAKAN(GO03)
States: Iowa, Kansas, FAX# (816) 426-3548
Missouri, Nebraska
Address: HCFA
Division of Medicaid
601 E. 12th Street
Room 227
Kansas City, MO 64106

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REGION VIII - DENVER Diane Dunstan (303) 844-6216
Ext. 358
States: Colorado, Montana, HCFADEN(GH70)
North Dakota, FAX# (303) 844-3753
South Dakota, Utah,
Wyoming
Address: HCFA
Division of Medicaid
Federal Office Building
Room 576
1961 Stout Street
Denver, CO 80294-5358

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Region IX - San Francisco Ronna Bach (415) 744-3593
HCFASF0(GI52)
States: Arizona, California, FAX# (415) 744-3761
Hawaii, Nevada
Address: HCFA
Division of Medicaid
5th Floor
75 Hawthorne Street
San Francisco, CA 94105

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REGION X - SEATTLE Jack Covello (206) 615-2333
HCFASEA(GJ09)
States: Alaska, Idaho, FAX# (206) 615-2435
Oregon, Washington
Address: DHH-HCFA
Mail Stop 43
2201 6th Avenue
Seattle, WA 98121