

MEDICAID DRUG REBATE PROGRAM

Release Number 60

* * * IMMEDIATE ATTENTION REQUIRED * * *

NOTE TO: All State Medicaid Directors

APPROVAL OF THE RECONCILIATION OF STATE INVOICE (ROSI) AND THE
PRIOR QUARTER ADJUSTMENT STATEMENT (PQAS)

HCFA has received approval from the Office of Management and Budget (OMB) for the ROSI, form HCFA-304, and the PQAS, form HCFA-304a. The ROSI form is to be used by all labelers when responding to the State's current quarter invoice. The PQAS form will be generated by the labelers to reconcile and explain any prior quarter actions and resulting payments to the States. For informational purposes, draft copies of these forms, along with their instructions, electronic fields, data element definitions, and the adjustment/dispute code listing were sent to you in Release Number 56. These forms and their associated instructions, etc., are now considered final. Attached to this release is a revised Appendix C (Adjustment/Dispute Codes) to the form instructions. Notice of a revision to this appendix was given in Release Number 57.

Please be aware that HCFA is providing labelers an implementation period of two quarters for these forms. Therefore, labelers must use these forms beginning with the receipt of the State invoice in the first quarter of 1997, i.e., the State invoice for the October-December 1996 quarter. Of course, labelers may optionally use these forms prior to expiration of the implementation period.

QUARTERLY TAPE SUBMISSION TO HCFA

There is a continuing problem with States sending multiple tapes to HCFA for the same quarter. Please remember, you are to send ONE tape per quarter. If you have a change in UNITS, NUMBER OF PRESCRIPTIONS, and/or AMOUNT PAID PHARMACIES for a given quarter,

include a CORRECTION record for that quarter (correction flag = "1", qtr/yr field = correction period, changed field = OVERLAY - NOT CORRECTION!) with your tape for the next quarter. No other corrections are to be sent to HCFA.

PRIOR PERIOD ADJUSTMENTS (PPAs)

PPAs are UNIT REBATE AMOUNT (URA) corrections due to a change in a prior quarter's AMP and/or BP, BL/AMP and/or Market Date. PPAs are sent to States with each quarterly tape by HCFA. States should match these URA changes with URA corrections (for the same period) reported on the PQAS by labelers when paying rebates. States are NOT to make corrections to their invoices. Instead, States must assure that a match (from the affected labeler) has been received. There is a continuing discussion with many labelers that this is not always happening. Please let us know how your State system handles PPAs. Please mail or FAX this information to us within the next two weeks, or as soon as you can. With the OMB approval of the new ROSI and PQAS forms, correct procedures and processing of PPAs are imperative.

If FAXing this information, please send to:

FAX# (410) 786-0390, Attention: Vince Powell

If mailing, please send to:

Medicaid Drug Rebate Program
Medicaid Bureau, HCFA
P.O. Box 26686
Baltimore, MD 21207-0486
ATTN: Vince Powell

CORRECTION

In some previous transmittals, the treasury bill auction rate for November 27, 1995 was erroneously shown as 5.438. Please be advised that the correct rate for this period is 5.483. We apologize for any inconvenience this error has caused.

NEW LABELERS

The following labelers have entered into drug rebate agreements and will join the rebate program on July 1, 1996:

A. W. Curtis Laboratories (Labeler Code 23698),

Bedford Laboratories (Labeler Code 55390),
Nexstar Pharmaceuticals, Inc. (Labeler Code 56146),
Biogen, Inc. (Labeler Code 59627),
Golden State Medical Supply, Inc. (Labeler Code 60429),
Novo Nordisk Pharmaceuticals, Inc. (Labeler Code 61874),
Prime Marketing L.L.C. (Labeler Code 62107), and
Amca Pharmaceutical Company, Inc. (Labeler Code 62201).

The following labeler has entered into a drug rebate agreement and will join the rebate program on October 1, 1996:

Pasadena Research Laboratories, Inc. (Labeler Code 00418).

DRUG LABELER REINSTATEMENT

Circa Pharmaceuticals, Inc. (Labeler Code 71114) has submitted missing drug prices for all quarters and signed a new rebate agreement. Their next period of participation in the drug rebate program will begin on July 1, 1996.

LABELER TERMINATIONS

The following labelers are being terminated effective October 1, 1996 for failure to submit pricing data:

Benchmark Medical, Incorporated (Labeler Code 59542),
and

Huffman Laboratories, Incorporated (Labeler Code 54252).

ATTACHMENTS

Copies of the topic index and the latest listing of the 90-day treasury bill auction rates for the period of August 7, 1995 through May 28, 1996 are attached.

Please remember to direct your drug rebate questions to a staff member on the listing we provided with release number 53.

Sally K. Richardson
Director
Medicaid Bureau

3 Attachments

cc:

All State Technical Contacts

All Regional Administrators

All Associate Regional Administrators, Division of Medicaid

WEEKLY U.S. T-BILL DISCOUNT RATE

The latest weekly 90-day treasury bill auction rates for August 7, 1995 through May 28, 1996 are:

DATE OF AUCTION	TRUE DISCOUNT RATE
08/07/95	5.578
08/14/95	5.587
08/21/95	5.600
08/28/95	5.504
09/05/95	5.463
09/12/95	5.504
09/19/95	5.409
09/25/95	5.293
10/02/95	5.504
10/10/95	5.471
10/16/95	5.483
10/23/95	5.376
10/30/95	5.450
11/06/95	5.525
11/13/95	5.599
11/20/95	5.503
11/27/95	5.483
12/04/95	5.450
12/11/95	5.463
12/18/95	5.306
12/26/95	5.054
01/02/96	5.190
01/09/96	5.178
01/16/96	5.170
01/22/96	5.137
01/29/96	5.157
02/05/96	5.025
02/12/96	4.939
02/20/96	4.918
02/26/96	4.987
03/04/96	5.020
03/11/96	5.081
03/18/96	5.155
03/25/96	5.123
04/01/96	5.209
04/08/96	5.164
04/15/96	4.999
04/22/96	5.102
04/30/96	5.135
05/06/96	5.155
05/13/96	5.155
05/20/96	5.164
05/28/96	5.164

FAB134:Dmccarthy, 62079.
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