

June 22, 1998

**MEDICAID DRUG REBATE PROGRAM**

**RELEASE #80**

**TODAY'S NEWS for State Medicaid Directors**

**\*\*\*\*\*IMPORTANT NOTICE\*\*\*\*\***  
**DISPUTE RESOLUTION PROJECT (DRP) MEETINGS**  
**\*\*\*\*\*IMMEDIATE ATTENTION REQUIRED\*\*\*\*\***

In this release we are announcing the remaining FY 98 DRP meetings schedule. With nearly 40 states and over 50 manufacturers participating in the DRP since its implementation in 1994, over \$300 million formerly in dispute have been resolved, with communication and cooperation among states, manufacturers and HCFA showing significant improvement. Currently, the DRP meetings scheduled for the week of June 22 in Denver and for Dallas the week of July 6 are filled. Due to budget limitations, we canceled the DRP meetings originally scheduled for the week of August 10 in Chicago.

We are pleased to announce that, with the cooperation of the Denver Regional Office and the support of HCFA leadership, we are expanding our scheduled DRP meetings in Denver for the week of August 31 - September 4. Sufficient facilities and experienced HCFA DRP staff will be available to conduct concurrent meetings with numerous states and manufacturers.

Thus, this National DRP Meeting is open to all states, regardless of consortium jurisdiction, and all manufacturers. Given the very positive experience and productive results reported by all participants to date, we strongly encourage your attendance. These will likely be the last DRP meetings until late Winter or early Spring 1999.

In order to allow adequate time for the considerable planning required, we ask that you promptly complete the attached form and follow the directions for its submission. States should contact their CONSORTIUM DRP COORDINATOR for additional information. Manufacturers should contact the Denver DRP Coordinator as indicated on the attachment.

Thank you for your timely attention to this notice.

**CORRECTION TO 1Q98 URA CALCULATION PROBLEM - REVISITED**

In our last release we mentioned a serious problem that occurred during the calculation phase of the Unit Rebate Amount (URA) generation for the first quarter, 1998 data file that was sent to you in mid-May. Along with that release, the technical contact for each state agency received a diskette containing a file of the affected NDCs which annotated the corrected URAs. The diskette was in the format of the quarterly file, having only correction flag "3" records (second half of PPA record set). At the time, we thought it would be easy for states to load this file onto their system and overlay the incorrect records with the correct URA values. By doing this, we felt the correction process would be simplified because no Prior Period Adjustment (PPA) records would need to be created on the next quarterly file, as mentioned in our previous release.

Apparently, this problem has taken on a life of its own and refuses to die. After hearing from a number of state personnel, it seems that eliminating the PPAs from the next quarterly data file is NOT the best solution. Therefore, the next quarterly file (second quarter, 1998 - due out sometime in mid-August) WILL, IN FACT, contain PPAs for ALL incorrectly calculated URAs from the first quarter, 1998 file.

If your systems staff were able to use the diskette to correct the URA problems, the PPAs will not hurt your normal process. If, however, you were not able to utilize the diskette and your system still contains the incorrect URAs, please process the PPAs on the August file as normal. This should correct the situation.

Please direct any questions, comments, etc., to Vince Powell on (410) 786-3314.

**NEW LABELER**

The following labeler has entered into a drug rebate agreement and is joining the rebate program effective July 1, 1998:

Gynetics, Inc. (Labeler Code 63955).

**OTHER ATTACHMENTS**

A copy of the topic index and a current listing of the 90-day treasury bill auction rates beginning with the period September 15, 1997, are attached.

Please remember to direct your drug rebate questions to a staff member listed in section "O" of the Medicaid Drug Rebate Operational Training Guide.

/s/  
Sally K. Richardson  
Director

cc:

All State Drug Rebate Technical Contacts

All Regional Administrators

All Associate Regional Administrators, Division of Medicaid