

August 14, 1998

**MEDICAID DRUG REBATE PROGRAM**

**RELEASE #83**

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

**NEW FAX NUMBER/ADDRESS FOR DRUG REBATE - POLICY STAFF ONLY**

Because of HCFA's internal move, the policy and operations staff for drug rebate are no longer physically located together. Therefore, the policy staff have a new fax number of 410-786-8534. The new mailing address for policy correspondence is:

HCFA, Center for Medicaid and State Operations  
Families and Children's Health Programs Group  
Division of Benefits, Coverage and Payment  
Mail Stop S2-01-16  
7500 Security Boulevard  
Baltimore, Maryland 21244-1850

**ALTERNATE CONTACT FOR OPERATIONAL QUESTIONS**

Many of you may remember the Drug Rebate Hotline that was in operation until a few years ago. Although we are not re-establishing the hotline, we have acquired the time and knowledge of one of the people who used to man the hotline. Aaron Allen is once again assuming, albeit on a part time basis, some of the drug rebate operational functions.

Aaron is available to answer questions in lieu of the availability of Vince Powell and Judy Allison. Also, on those occasions when Vince and Judy are swamped with assistance calls, Aaron will be asked to help return many of those calls. We hope that the addition of Aaron's time and knowledge of the program will enable us to alleviate the backlog of calls we experience each quarter.

If you have questions for which you normally call Vince or Judy, you may now call Aaron on 410-786-1119.

**UPDATING T-BILL RATES**

We receive many phone calls each week asking for the current week's t-bill rate. To help cut down on the volume of calls for this information while still enabling you to get the rate quickly, we suggest that you consider making use of your local Federal Reserve Bank. By dialing your local Federal Reserve Bank you can obtain the current week's 90-day (13 week) t-bill rate.

T-bill rates for prior weeks can be found on HCFA's drug rebate web site. The website is updated on a monthly basis. In addition, the HCFA releases contain an updated list of t-bill rates as current as possible and dating back approximately 9-12 months depending on the date of the release.

Please remember that t-bill rates are needed ONLY when you are preparing to cut a check/make a credit for the resolution of a dispute, or payment of an invoice more than 37 days old.

**TRAINING GUIDE UPDATES**

Attached are the latest updates to the Medicaid Drug Rebate Operational Training Guide. These updates incorporate general revisions, post move address changes, and staff directory changes. Please share the updates with all staff involved in the program and replace these pages in your guide.

**RETIREMENT OF AL BEACHLEY**

Many people are not aware that Al has retired and are still calling and writing to him. Al retired on July 3, 1998. In the future, please direct all calls, letters, e-mails, etc., formerly for Al to Vince Powell on (410) 786-3314 or Vpowell@HCFA.GOV. You also may direct inquiries previously sent to Al to Rick Friedman on (410) 786-4451 or Rfriedman2@HCFA.GOV. Rick is the acting Technical Director for drug rebate.

**PROBLEMS WITH SEVERAL HOFFMANN-LA ROCHE PRODUCTS**

In 1993, the Drug Rebate Program converted Unit Types to meet the standards set forth by the National Council for Prescription Drug Programs (NCPDP). Information regarding this conversion was conveyed to all drug labelers in release # 7 and included the decision to incorporate the Unit Type of "Each" (EA) for powder-filled vials (PFV).

In release # 11, we reported that unit reporting problems were being encountered on invoices containing utilization for PFVs. At that time, therefore, we stated that all PFVs being reported (by states) as "GM" were to be converted to "EA" and utilization was to be corrected accordingly. The lone exception was for NDCs having multiple package sizes where the vials are different sizes. These MUST remain as "GM".

Hoffmann-La Roche has reported that they continue to encounter unit problems quarter after quarter for both Rocephin and Cytovene. Although most invoices indicate the correct Unit Type (EA), the actual units being reported have NOT been converted to reflect this proper Unit Type. In some cases, invoices are still coming in with the incorrect Unit Type of "GM" and in some isolated cases, "MG" is being used. Please peruse your files and convert any and all of the following NDCs to "EA". Please remember to convert units and URA amounts to match.

For Labeler 00004, please check the following:

1962-01	1962-02	1963-01	1963-02	1963-39	1964-01
1964-02					
1964-03	1964-04	1964-05	1964-39	1965-01	1965-02
1965-03					
1965-05	1971-01	6940-03			

and for labeler 00033, please check 2903-48.

Any questions should be directed to Vince Powell on (410) 786-3314.

**REINSTATED LABELER**

Mason Distributors, Inc. (Labeler Code 11845) has signed a new rebate agreement. They will be reinstated in the drug rebate program effective October 1, 1998.

**NEW LABELERS**

The following labelers have entered into drug rebate agreements and are joining the rebate program effective October 1, 1998:

Medline Industries, Inc. (Labeler Code 53329);  
Health Care Products Division, Hi-Tech Pharmacal Co., Inc.  
(Labeler Code 61787); and  
York Koller, Inc. (Labeler Code 64356).

**TERMINATED LABELERS**

The following labelers are being voluntarily terminated effective October 1, 1998:

Liquipharm Incorporated (Labeler Code 54198);  
Equipharm Corporation (Labeler Code 57779);  
West Point Pharma (Labeler Code 59591); and  
Hi-Tech Pharmacal Co., Incorporated, Health Care Products  
Division (Labeler Code 60569).

**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