

February 9, 1999

MEDICAID DRUG REBATE PROGRAM

RELEASE #87

TODAY'S NEWS for State Medicaid Directors

RECALCULATION OF OLD QUARTERS CAUSING ADDITIONAL PRIOR PERIOD ADJUSTMENTS (PPA)

You have been getting notices in past releases about changes we are doing to the MDRI process which have caused some additional PPA records to be generated. One problem we have had for a long time is the one where our Unit Rebate Amount (URA) does not calculate out to the same exact amount as those calculated by the labelers. URA values were off by anywhere from millionths of a cent to several thousandths of a cent. We found that the calculation performed by our system used floating-point decimal calculations rather than fixed-point, calculating to 7 and rounding to 6 places at the conclusion of the calculation. This has been fixed.

For this quarter, we have turned on the URA flag for EVERY NDC FOR EVERY QUARTER. This may cause an "excess" of PPA records on this run. Please understand that this is solely for the purpose of "realigning" URAs to assist you in closing out old "disputes" that had amounts in dispute simply because our URA did not match the labeler's URA. Although this may cause some additional work on your part this quarter, it is anticipated that it will close out 90 - 95% of URA problems between you and the labelers. Should you have any questions or problems, please call Vince Powell on (410) 786-3314.

Y2K REMINDER FOR RECORD SPECIFICATIONS

This is a reminder that the new utilization record layout is required for all data submitted beginning January 1, 1999. In release number 72, dated December 9, 1997 we attached the new record specifications to expand all date fields to allow for a four position year. The release specified that these expanded date fields would be required for all data submitted to HCFA on January 1, 1999 or later.

For your convenience, we are again attaching the utilization record format. Also, please review the utilization reporting instructions located on pages F20-F25 of the Medicaid Drug Rebate Operational Training Guide to ensure the use of the proper naming convention for utilization tapes and cartridges.

NEW LABELERS

The following labelers have entered into drug rebate agreements and are joining the rebate program effective April 1, 1999:

Person & Covey Inc. (Labeler Code 00096);
McNeil Consumer Healthcare (Labeler Code 50580);
Jones Pharma, Incorporated (Labeler Code 52604);
Carlsbad Technology, Inc. (Labeler Code 61442);
ProMetic Pharma USA, Inc. (Labeler Code 62174);
Sepracor, Inc. (Labeler Code 63402);
Cephalon, Inc. (Labeler Code 63459);
Pharm-Tech Inc. (Labeler Code 63789);
Excelsior Medical Corp. (Labeler Code 63807);
InterMune Pharmaceuticals, Inc. (Labeler Code 64116); and
D J Pharma, Inc. (Labeler Code 64455).

LABELER NAME CHANGE

Athena Neurosciences, Inc. (Labeler Code 59075) has changed its name to Elan Pharmaceuticals, Inc.

TERMINATED LABELERS

The following labelers are being terminated effective April 1, 1999:

Danbury Pharmacal, Incorporated (Labeler Code 00591);
Hudson Corporation (Labeler code 25077);
Solopak Pharmaceuticals, Incorporated (Labeler Code 39769; and
Solopak Medical Products, Incorporated (Labeler Code 59747).

The following labeler is being voluntarily terminated effective April 1, 1999:

Wide River Chemical, Incorporated (Labeler Code 57610).

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

3 Attachments

cc:

All State Drug Rebate Technical Contacts

All Regional Administrators

All Associate Regional Administrators, Division of Medicaid

**HCFA RECORD SPECIFICATION
 MEDICAID DRUG REBATE DATA
 UTILIZATION RECORD FORMAT**

Source: State Agencies

Target: HCFA & Manufacturers

Field	Size	Position	Remarks
Record ID	4	1 - 4	Constant of "01**"
State Code	2	5 - 6	P.O. Abbreviation
Labeler Code	5	7 - 11	NDC #1
Product Code	4	12 - 15	NDC #2
Package Size Code	2	16 - 17	NDC #3
Period Covered	5	18 - 22	QYYYY
Prd. FDA Reg. Name	10	23 - 32	See Data Element Definitions
Rebate Amt. Per Unit	11	33 - 43	99999V999999
Total Units Reimbursed	12	44 - 55	999999999V999
Total Rebate Amt. Claimed	9	56 - 64	9999999V99
No. of Prescriptions	6	65 - 70	999999
Total Reimbursement Amt.	10	71 - 80	99999999V99
Correction Flag	1	81 - 81	See Data Element Definitions
Filler	1	82 - 82	