

August 3, 1999

MEDICAID DRUG REBATE PROGRAM RELEASE #91

TODAY'S NEWS for State Medicaid Directors

SEPTEMBER DISPUTE RESOLUTION NATIONAL MEETING

The meeting to be held in Denver is scheduled for September 13-16, 1999. There are three attachments to this release which give details for attending the meeting, a registration form, and a list of states and labelers that are already scheduled to attend. If you are interested in attending, please fax the attached registration form, as instructed, by August 10, 1999.

RHONE-POULENC RORER (RPR) -- LABELER 00075 -- LOVENOX PREFILLED SYRINGES, UNIT OF MEASURE CHANGE

Lovenox prefilled syringes, NDCs 00075-0620-40, -0621-60, -0622-80 and -0623-00 have been reported to HCFA with a unit type of gram (GM). This has caused many reporting problems and therefore, since 1998, RPR has been disputing utilization on these NDCs whenever the units appear to be something other than GM. Most pharmacies apparently either dispense individual syringes or a package of 10 syringes.

Therefore, under guidance from HCFA, RPR will switch the Unit Type (and corresponding prices) of Lovenox from GM to EA(ch), with EA representing one syringe, beginning the reporting period for Q2/1999, which will be on the quarterly tape sent to you in August. Unit Type, therefore, for these 4 NDCs will change from GM to EA and the Units Per Package Size will change from 10 to 1. These changes will be on your correction record (correction flag = '1'). This change should substantially decrease the reporting problems and subsequent disputes on this product.

RPR will be including Prior Quarter Adjustment Statement forms with your 2Q1999 ROSI forms for these NDCs. Any questions should be directed to Vince Powell on (410) 786-3314.

GOLDEN STATE MEDICAL SUPPLY - INACTIVE

Golden State Medical Supply (GSMS) - Labeler code 60429, has been active in the drug rebate program since the 3rd quarter, 1996. They joined the program in anticipation of being able to supply and sell their line of drug products in the marketplace. Please note that they, in fact, have not yet been able to do so. It appears that sales to the pharmaceutical community is still very far off in the future, if at all.

In the case of their being able to sell to the pharmaceutical retail class of trade in the future, as is required for inclusion in the Drug Rebate program, they have asked that we "suspend" their agreement, but have it remain on our files in case they will be able to activate it at a later time. We have agreed to do a "voluntary termination" that will allow them to become active starting with the next quarter that is more than 60 days hence upon notification and re-signing of page 12 of the drug rebate contract. Their termination will be effective October 1, 1999; however, if you have any utilization that is charged to their labeler code, please contact Vince Powell of my staff as soon as possible. Vince can be reached on (410) 786-3314.

NEW LABELERS

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

OMNII Products (Labeler Code 48878);
Topix Pharmaceuticals, Inc. (Labeler Code 58211);
Ther-Rx Corporation (Labeler Code 64011);
Walsh Distribution, Inc. (Labeler Code 64899); and
Rising Pharmaceuticals, Inc. (Labeler Code 64980).

TERMINATED LABELERS

The following labelers are being voluntarily terminated effective October 1, 1999:

PDK Labs, Incorporated (Labeler Code 55966);
Golden State Medical Supply, Incorporated (Labeler Code 60429); and
Rexall Sundown, Incorporated (Labeler Code 60814).

OTHER ATTACHMENTS

A copy of the topic index and a current listing of the 90-day treasury bill auction rates beginning with the period April 13, 1998, 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

5 Attachments

cc:

All State Drug Rebate Technical Contacts

All Regional Administrators

All Associate Regional Administrators, Division of Medicaid