

DEPARTMENT OF HEALTH & HUMAN SERVICES

Health Care Financing Administration

Center for Medicaid and State Operations

July 11, 2000

MEDICAID DRUG REBATE PROGRAM RELEASE #100

For State Medicaid Directors

SEPTEMBER NATIONAL DISPUTE RESOLUTION (DRP) MEETING

This is a reminder that September is rapidly approaching and the time is NOW to get registered and to put in your requests for states/labelers you wish to visit with. If you haven't done so, please complete the attached form for the September DRP meeting and fax it ASAP to Diane Dunstan. Put together your list of whom you wish to meet with and pass it to Diane. The week is getting full quickly and you need to get on the list very soon in order to assure meeting with the maximum number of participants you wish to. The meeting dates are Monday, September 18 through Friday, September 22. Contact Diane regarding hotel reservations as well. They also are going quickly and, if you do not act soon, you may have to take accommodations outside of Denver and commute to the meetings. Please see the attachment for Diane's phone and fax numbers and her e-mail address, as well.

ROUNDING UNIT REBATE AMOUNT (URA)

In an earlier release, I explained a change that would be forthcoming to the way we report the URA to states. At that time, it was the plan to effect this change with the **3Q00 URA** file to the states due from HCFA around November 15, 2000. It has been brought to my attention that not all labelers and labeler support software companies will be able to have their systems changed in time for this effective date. Therefore, although this change will occur, it is being pushed back. We will now implement this change so that it is included in the **1Q01 URA** file due to the states around **May 15, 2001**.

Please remember that this update to the way the URA is reported **IN NO WAY** changes the way pricing is to be calculated and submitted to us from the labelers. Our system will still accept AMP/BP data with 6 decimal places. Only the URA will be calculated to the 5th decimal place, rounded to the 4th and have zeros pad positions 5 and 6. This change will be for all new URAs as well as any old URAs that are re-calculated due to corrections or baseline/market date/quarterly pricing changes.

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

FERRING PHARMACEUTICALS, INC., LABELER 55566

Recently, we had an inquiry regarding Ferring Pharmaceuticals, Inc., labeler 55566. It seems that they were only reporting one NDC to HCFA, while in fact, they had several more that were not being reported. They were contacted and had been under the impression that only drugs that could be administered as outpatient drugs were to be reported to HCFA. We explained that even though they had several drugs that had to be administered in an inpatient setting, as long as they could be (and were in fact) billed as outpatient to the state for reimbursement, they were under the Drug Rebate Program and subject to rebate. We were assured that they would include all their drugs for the next quarter, catch up on old quarterly pricing, and be responsible for paying old rebates. Any questions or problems with payment of the old rebates should be brought to the attention of Vince Powell on (410) 786-3314.

TERMINATED LABELERS

The following labelers are being voluntarily terminated effective October 1, 2000:

Bayer Corporation (Labeler Code 00161; and

SmithKline Beecham Pharmaceuticals, Inc. (Labeler Code 00484).

OTHER ATTACHMENTS

A copy of the topic index and a current listing of the 90-day treasury bill auction rates beginning with the period November 9, 1998, is 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.

Timothy M. Westmoreland

Director

3 Attachments

cc:

All State Drug Rebate Technical Contacts

All Regional Administrators

All Associate Regional Administrators, Division of Medicaid