

DEPARTMENT OF HEALTH & HUMAN SERVICES

Health Care Financing Administration

Center for Medicaid and State Operations

September 14, 2000

MEDICAID DRUG REBATE PROGRAM RELEASE #101

For State Medicaid Directors

HRSA EXCLUSION FILE

Effective October, 2000 a list of PHS covered entities will be posted on HRSA's website.

As you know, PHS covered entities participating in the 340B drug pricing program have the option to participate in that program for their Medicaid patients. If a covered entity participates in the program for Medicaid, the covered entity should bill the Medicaid agency at no more than the actual acquisition cost, plus a reasonable dispensing fee set by the State. HRSA compiles a list of its covered entities that participate in the 340B program for their Medicaid patients and sends the list to HCFA on a quarterly basis. HCFA, in turn, passes on the file to States.

In an effort to simplify the process for States to determine which PHS covered entities participate in the 340B drug pricing program for their Medicaid clients, HRSA and HCFA have proposed the following changes to the process described above:

- Effective October, 2000 HRSA will begin posting the list of covered entities which participate in the 340B drug pricing program for their Medicaid clients on the HRSA website (www.hrsa.gov/odpp), to be updated on a quarterly basis.
- HRSA will continue to send a file containing that list to HCFA for the October, 2000 and January, 2001 quarters. Beginning with the April, 2001 quarter and for all subsequent quarters, HRSA will not send the list to HCFA. States will need to rely on the data contained on HRSA's website.

- In order to make the file easier for States to use, HRSA will sort the file based on the State in which the covered entities are located prior to sending to HCFA and prior to posting on their website.

If you have any questions regarding this change in the way States access information regarding covered entities participating in the 340B drug pricing program for their Medicaid patients, please contact Marge Lee at 410-786-4361.

REMINDER OF CHANGES FOR NEXT CALENDAR YEAR

This is to remind you that the Unit Rebate Amount (URA) change that will report URA calculated to 5th, rounded to the 4th, decimal place with positions 5 and 6 zero-filled, will be included on the quarterly tape sent to you sometime in May for quarter 1/2001.

Also, starting with the 2Q2001 tape, we will **NO LONGER** be providing the Public Health Service (PHS) entity identification file. This data will be provided by PHS on their web site. Please contact PHS if you have any questions regarding this change. From the start, this has been a file that has been totally under the control of PHS. Content and accuracy of this file has been out of HCFA's hands. We truly believe that using the "official" entity identification file on the PHS web site will provide you with more accurate and updated information.

INCORRECT T-BILL RATE

The T-bill rate for 05-15-00 was incorrectly reported. As the attached listing shows, the correct rate is 6.245.

NEW LABELERS

Mandatory Coverage Optional Coverage

Labeler Name/Labeler Code Date Date

MGP Apothecon (Labeler Code 64681) 01/01/2001 08/02/2000

Propst Pharmaceuticals, LLC 01/01/2001 09/06/2000

(Labeler Code 65581)

Sankyo Pharma, Inc. (Labeler Code 65597) 01/01/2001 08/02/2000

Salix Pharmaceuticals, Inc. 01/01/2001 08/15/2000

(Labeler Code 65649)

Reliant Pharmaceuticals, LLC 01/01/2001 08/31/2000

(Labeler Code 65726)

TERMINATED LABELERS

The following labeler is being terminated effective October 1, 2000:

Pharm-Tech, Inc. (Labeler Code 63789).

The following labelers are being voluntarily terminated effective January 1, 2001:

G.D. Searle & Co. (Labeler Code 00014);

Bioline Laboratories Inc. (Labeler Code 00719);

Knoll Pharmaceutical Company (Labeler Code 00822);

Baxter Healthcare Corporation (Labeler Code 47679);

Best Generics, Inc. (Labeler Code 54274);

Carpenter Pharmaceutical Co., Inc. (Labeler Code 55726);

Neurex Corporation (Labeler Code 62860); and

E.M.T.-Rx (Labeler Code 64054).

TERMINATION OF LABELER CODE 00303

We are retroactively terminating Bausch & Lomb, Labeler Code 00303, as of January 1, 1998. An oversight had been made on HCFA's part where we left this labeler active and it had been obsolete since 1996. No state data has been received since 1997.

ATTACHMENTS

A copy of the topic index and a current listing of the 90-day treasury bill auction rates beginning with the period June 7, 1999, 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

2 Attachments

cc:

All State Drug Rebate Technical Contacts

All Regional Administrators

All Associate Regional Administrators, Division of Medicaid