June 11, 2002

MEDICAID DRUG REBATE PROGRAM #116

RELEASE

For State Medicaid Directors

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****ALERT ****

RESCISSION OF JULY 1 NDC DELETIONS

In State release #115, dated May 7, 2002, we described the FDA/MDRI data match conducted to identify individual products and/or package sizes that are on the MDRI master file but not on file with the FDA. On May 23, we sent all states a Notice and tape/data cartridge containing a file of NDCs that were to be deleted as non-covered under the Drug Rebate Program effective July 1, 2002. That file listed the NDCs identified through the MDRI/FDA data match as being on our master file but not on the FDA file.

In light of our understanding that some NDCs may have been omitted from the FDA file used in our data match, we are rescinding the instruction issued by us on May 23, 2002, for states to delete those codes from their Medicaid drug coverage file. The Medicaid Pharmacy Technical Advisory Group strongly supports this decision. We will continue working with the FDA and the Pharmacy TAG to ensure that our MDRI file contains all the NDCs covered by the Rebate Program. We apologize for any inconvenience caused by this rescission.

In sum, you should take no action based on our May 23 Notice and enclosed tape/data cartridge. Please discard that file. Questions may be directed to members of the drug rebate operations staff, as listed in section "O" of your Operations guide.

/s/

David McNally, Deputy Director Finance, Systems and Quality Group Center for Medicaid and State Operations

cc:

All State Drug Rebate Technical Contacts All Regional Administrators