

6325 Security Boulevard  
Baltimore, MD 21207

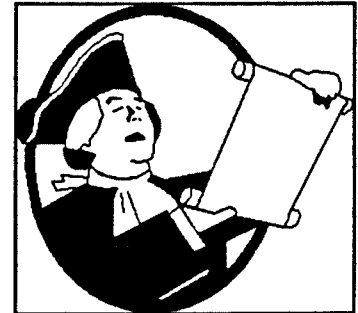
MAY 31 1991

## MEDICAID DRUG REBATE PROGRAM Release No. 8

NOTE TO: All State Medicaid Directors

\* \* \* \* IMMEDIATE ATTENTION REQUIRED \* \* \* \*

This note confirms a conversation that you had recently with a member of my staff. Each of you were told of the HCFA Administrator's decision to postpone for sixty days the requirement to submit utilization data to drug manufacturers.




This decision was prompted by requests for delays from many States, the lack of either baseline and/or first quarter pricing data from many of the drug manufacturers that recently came into the rebate program and problems with incorrect data in the Unit Type, Units Per Package Size and Average Manufacturer Price fields. The postponement to July 30 will alleviate the need to send multiple updates of corrected data and should result in a smoother implementation.

In my note to you dated May 24, 1991, I mentioned that we would be sending to you an update by mid-July of the January-March pricing data. The updated January-March data will be sent to you using two day carrier delivery provided by United Parcel Service (UPS). We will notify you by memorandum as to our shipping date. Any delays in receiving that data should be reported to us.

By separate memorandum, we are notifying every manufacturer of the Administrator's decision and are sharing the Unit Rebate Calculation formula with them. Additionally, we are forwarding to them the names, telephone numbers and addresses of the State personnel identified by each of you as your technical and policy contacts. A random sampling of drug manufacturers indicates that many of them have not been contacted by State personnel to work out the details for transmitting drug rebate data. We strongly encourage liaison between States and drug manufacturers prior to any data exchanges.

Page 2

Attached are the technical requirements and a record layout for submitting your drug rebate utilization data to HCFA. Should you have any need for assistance in that area, you may call Al Kemezys at (301) 966-6413. Please continue to refer your questions to us by using the Drug Rebate Hotline number at (301) 966-3249.

  
Christine Nye  
Director  
Medicaid Bureau

Attachments: 2

cc:  
All State Technical Contacts  
All Regional Representatives  
All Associate Regional Administrators for Medicaid

TECHNICAL REQUIREMENTS FOR SUBMISSION OF DRUG REBATE  
UTILIZATION DATA FROM STATE AGENCIES TO HCFA

Please send either a 6250 BPI IBM Standard Label tape or a 3480 Cartridge containing drug rebate utilization data to HCFA.

The characteristics of this media are:

- File Name: DRUG.REBATE.Uqyy.xx  
where q = quarter  
yy = year  
xx = State abbreviation
- Record Profile: 80 Characters, Fixed Block, 9,040 characters per block (i.e., 116 records per block). See attached record format.

Please send the tape or cartridge to:

Health Care Financing Administration  
Lyon Building  
7131 Rutherford Road  
Baltimore, Maryland 21207  
Attention: Tape Library

Please send a confirming letter containing the type of media, file name, volume serial number and the date the media was sent to:

Health Care Financing Administration  
6325 Security Blvd.  
F-3, 1717 Equitable Building  
Baltimore, Maryland 21207  
Attention: Al Kemezys

**HCFA RECORD SPECIFICATIONS  
 MEDICAID DRUG REBATE DATA  
 RECORD FORMAT**

OMB #  
 0938-05

SOURCE: STATE AGENCIES  
 TARGET: HCFA & MANUFACTURERS

FIELD	SIZE	POSITION	REMARKS
RECORD ID	4	1-4	CONSTANT "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	3	18-20	QYY
FDA REG NAME (1ST 10)	10	21-30	1ST 10 OF FDA NAME
REBATE AMT PER UNIT	11	31-41	99999V999999
TOTAL UNITS REIMB.	12	42-53	999999999V999
TOT REBATE AMT CLMD	9	54-62	9999999V99
NO. PRESCRIPTIONS	6	63-68	999999
TOTAL REIMB. AMT.	10	69-78	99999999V99
CORRECTION FLAG	1	79-79	SEE DATA DIC. DEF
FILLER	1	80-80	BLANK