Center for Medicaid and CHIP Services

July 23, 2015

MEDICAID DRUG REBATE PROGRAM NOTICE   **Release No. 171**

For State Technical Contacts

Information Needed by States When Labelers Remit Quarterly Payments in Full

We have recently become aware that some labelers are remitting a full quarterly rebate payment to states in the form of a check without providing any additional identifying documentation or information along with the check.

If a labeler's review of a quarterly state invoice determines that no disputes or adjustments are necessary and that the total quarterly rebate amount can be paid as reflected on the invoice, the labeler should pay the total invoiced amount in full with identifying documentation about the payment for the state's records. Such documentation may include, for example, the labeler code, the labeler name, the quarter and applicable federal program(s) covered by the payment, or any other such pertinent information that would help a state identify from whom the rebate payment is being sent and for which quarter and federal program the payment applies.

As a reminder, labelers are expected to remit rebate payments for the current quarter with a Reconciliation of State Invoice (ROSI) form if the payment differs from the state's invoiced amount due to unit disputes or other adjustments. Likewise, labelers are expected to complete and submit a Prior Quarter Adjustment Statement (PQAS) form to notify states of any unit discrepancies that are identified for an earlier quarter.

Availability of Data and User Guides In DDR – Reminder

We frequently receive email inquiries from both states and labelers regarding the Medicaid Drug Rebate (MDR) Program and the Drug Data Reporting for Medicaid (DDR) system. As you may know, we have resource guides that are continually updated to specifically address inquiries regarding our program and systems. Recently, we have noticed an increase in inquiries related to information that is already provided in the DDR User's Guide and/or the Labeler and State Data Guides which are accessible online to DDR users. As a reminder, the DDR User's Guide contains helpful guidance about the DDR system, including an overview of the system's

functions and features, a break-down of the various user roles, and a description of the different reference materials and reports that are available in the system. The Labeler and State Data Guides, which are each specifically tailored to reflect relevant information for either the states or the labelers, provide more extensive detail regarding the MDR program, including labeler and state reporting instructions, a detailed description of the unit rebate amount (URA) calculation and an overview of the invoicing process. All three of these guides are available in DDR, under the "Documents" tab, followed by "Guides and References." Also, program guidance in the form of manufacturer and state releases can be found on Medicaid.gov at: http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Benefits/Prescription-Drugs/Program-Releases.html.

If you have a question regarding the MDR Program and/or the DDR system, we strongly encourage you to consult these resources prior to contacting CMS. If, after reviewing the guides and releases, you continue to have questions, please feel free to contact us via one of the following email resource boxes: mdroperations@cms.hhs.gov (for MDR Program operational inquiries), rxdrugpolicy@cms.hhs.gov (for MDR Program policy inquiries), drp@cms.hhs.gov (for MDR Program dispute inquiries), or mdrutilization@cms.hhs.gov (for MDR state utilization data inquiries).

If you have any questions regarding this release, please send them to MDROperations@cms.hhs.gov.

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Alissa Mooney DeBoy
Acting Director
Disabled and Elderly Health Programs Group