



July 3, 2006

MEDICAID DRUG REBATE PROGRAM**RELEASE #142****For State Medicaid Directors****DRA REQUIREMENT TO PROVIDE AMP TO STATES
BEGINNING JULY 1, 2006**

In accordance with section 6001 of the Deficit Reduction Act (DRA) of 2005, CMS will be providing the most recently reported Average Manufacturer Prices (AMPs) via compact disc (CD) for single source and multiple source drugs each month from July 2006 – December 2006. The data on each CD will be in flat file format, which can be read by multiple programs (e.g., Word, Excel, etc.). The CDs will be mailed to the technical contact at each state and information to assist in importing the flat file will be included with the CDs.

Please note that section 1927(b)(3)(D) of the Social Security Act (the Act) requires that, notwithstanding any other provision of law, these AMPs be kept confidential and shall not be disclosed by a State agency (or contractor therewith) in a form which discloses the identity of the manufacturer or any prices charged for drugs by that manufacturer. States are restricted from disseminating, distributing, or using AMP data, except as specifically authorized by the drug rebate statute.

CHANGE IN DRUG COVERAGE STATUS/DESI CODE CHANGE

These products were reported by the labelers as DESI Code 2 (safe and effective). The FDA has determined that these drugs are less-than-effective, or a DESI Code 5 (Federal Register Notice 46 FR 46404).

Please be aware that these drugs will not be eligible for Federal financial participation or rebate billing for any product dispensed beyond June 30, 2006. If your system can process an immediate change, please do so. The 2Q2006 CMS tape will reflect the DESI Code 5 status.

00496-0800, Analpram HC Cream
60258-0425, Pulmari-GP Syrup
66663-0112, Migraten
66992-0120, Betavent Syrup

NON-DRUG DELETION FROM MDR

As part of our continuing effort to remove non-drug items from the Medicaid Drug Rebate (MDR) system, the following products will be deleted from the MDR Master file of covered outpatient drugs effective as shown below:

7/1/06 NDC 00145-4200-01 (MimYx)

10/1/06 00067-0125, Slow Fe Tabs
 00182-4476, Slow Fe
 68712-0007, Bionect Cream
 68712-0008, Bionect Gel
 68712-0009, Bionect Spray

The abovementioned products were not approved as prescription drugs by the Food and Drug Administration under Section 505 or 507 of the Federal Food, Drug, and Cosmetic Act and, therefore, do not meet the definition of covered outpatient drugs as defined in Section 1927(k)(2) of the Social Security Act.

PERSONNEL/STAFF CHANGES

After 30 years of service, Sue Williams retired from CMS effective June 30, 2006.

Effective immediately, Samone Angel has joined the drug rebate Operations staff.

Page O2 of the Operational Training Guide has been revised to reflect these changes and is attached to this release.

UPDATES TO THE OPERATIONAL TRAINING GUIDE

In addition to page O2, pages F20 and F22 have been revised to reflect an addition to the address for sending the state utilization tapes.

NEW LABELERS

<u>Labeler Name/Labeler Code</u>	<u>Mandatory Coverage Date</u>	<u>Optional Coverage Date</u>
Centrix Pharmaceutical, Inc. (Labeler Code 11528)	07/01/2006	04/27/2006
Coria Laboratories, LTD. (Labeler Code 13548)	04/01/2006	04/01/2006
Sun Pharmaceutical Industries, Inc. (Labeler Code 14508)	07/01/2006	03/08/2006
Carwin Associates, Inc. (Labeler Code 15370)	10/01/2006	06/16/2006
Insmmed, Inc. (Labeler Code 16249)	07/01/2006	03/27/2006
Cobalt Laboratories, Inc. Labeler Code 16252	10/01/2006	06/01/2006
Laser Pharmaceuticals, LLC (Labeler Code 16477)	07/01/2006	04/04/2006
Onset Therapeutics (Labeler Code 16781)	07/01/2006	04/17/2006
Deston Therapeutics, LLC (Labeler Code 16881)	10/01/2006	06/12/2006
Vernalis Pharmaceuticals, Inc. (Labeler Code 16887)	10/01/2006	06/15/2006
Zerxis Pharma, L.L.C. (Labeler Code 18011)	10/01/2006	06/20/2006
Plymouth Pharmaceuticals, Inc. (Labeler Code 61480)	10/01/2006	06/14/2006
ANIP Acquisition Company (Labeler Code 62559)	07/01/2006	04/08/2006
Sun Pharmaceutical Industries Ltd. (Labeler code 62756)	07/01/2006	04/26/2006
CV Therapeutics, Inc. (CVT) (Labeler Code 67159)	07/01/2006	03/15/2006

REINSTATED LABELERS

Jubilant Pharma, Inc. (Labeler Code 59746) has signed a new rebate agreement and was reinstated in the drug rebate program effective 07/01/2006.

Select Brand Distributors (Labeler Code 15127) and Shionogi USA, Inc. (Labeler Code 45809) have signed new rebate agreements and are reinstated in the drug rebate program effective 10/01/2006.

Contact information for new and reinstated labelers is attached for your convenience.

TERMINATED LABELERS

The following labeler codes are being terminated effective July 1, 2006:

GSP Company	Labeler Code 15020
Creekwood Pharmaceutical, Inc.	Labeler Code 15310
R.I.D., Inc.	Labeler Code 54807
Econolab	Labeler Code 55053
World Gen LLC	Labeler Code 66814

The following labeler codes are being terminated effective October 1, 2006:

Forum Products Inc.	Labeler Code 13863
DiHoMA Chemical & Manufacturing, Corporation	Labeler Code 62294

The following labeler codes have voluntarily terminated effective July 1, 2006:

Hampton-Laine, LLC	Labeler Code 15704
R&S Northeast	Labeler Code 17236
Medisca, Inc.	Labeler Code 38779

The following labeler code has voluntarily terminated effective October 1, 2006:

Knoll Pharmaceutical Company	Labeler Code 00048
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OTHER ATTACHMENT

A copy of the current listing of the 91-day treasury bill auction rates beginning with the period March 7, 2005, is attached.

Please remember to direct your drug rebate questions to MDROperations@cms.hhs.gov

Edward C. Gendron
Director
Finance, Systems and Budget Group

5 Attachments

cc:
All State Drug Rebate Technical Contacts
All Regional Administrators

WEEKLY U.S. T-BILL INVESTMENT RATE
 weekly 91-day treasury bill auction rates

Date of Auction	Invest. Rate	Date of Auction	Invest. Rate	Date of Auction	Invest. Rate
03-07-05	2.767	10-03-05	3.606	05-01-06	4.807
03-14-05	2.792	10-11-05	3.714	05-08-06	4.864
03-21-05	2.859	10-17-05	3.875	05-15-06	4.864
03-28-05	2.839	10-24-05	3.942	05-22-06	4.828
04-04-05	2.792	10-31-05	3.983	05-30-06	4.843
04-11-05	2.767	11-07-05	3.963	06-05-06	4.833
04-18-05	2.864	11-14-05	4.004	06-12-06	4.926
04-25-05	2.941	11-21-05	4.034	06-19-06	4.958
05-02-05	2.931	11-28-05	3.994	06-26-06	5.036
05-09-05	2.911	12-05-05	4.025		
05-16-05	2.859	12-12-05	3.911		
05-23-05	2.957	12-19-05	3.988		
05-31-05	2.998	12-26-05	3.999		
06-06-05	3.029	01-02-06	4.169		
06-13-05	3.039	01-09-06	4.252		
06-20-05	3.029	01-17-06	4.377		
06-27-05	3.147	01-23-06	4.397		
07-05-05	3.214	01-30-06	4.485		
07-11-05	3.204	02-06-06	4.485		
07-18-05	3.292	02-13-06	4.553		
07-25-05	3.420	02-21-06	4.563		
08-01-05	3.477	02-27-06	4.625		
08-08-05	3.539	03-06-06	4.615		
08-15-05	3.549	03-13-06	4.625		
08-22-05	3.539	03-20-06	4.662		
08-29-05	3.575	03-27-06	4.610		
09-06-05	3.513	04-03-06	4.651		
09-12-05	3.529	04-10-06	4.688		
09-19-05	3.575	04-17-06	4.719		
09-26-05	3.518	04-24-06	4.755		

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