



REGION IV
61 Forsyth Street, S.W., Suite 3T41
Atlanta, Georgia 30303

September 2, 2003

Report Number: A-04-03-06012

Mr. Manny Martins
Deputy Commissioner of the Bureau of TennCare
Department of Finance and Administration
729 Church Street
Nashville, Tennessee 37247-6501

Dear Mr. Martins:

Enclosed are two copies of a final report providing the results of our *Audit of the Medicaid Drug Rebate Program in the State of Tennessee*. The objective of our review was to evaluate whether the Bureau of TennCare had established adequate accountability and internal controls over the Medicaid drug rebate program. Our audit covered Medicaid drug rebates through June 30, 2002.

Our review showed that TennCare has adequate accounting procedures and internal controls to effectively pursue outstanding receivables from drug manufacturers. Specifically, we found the amounts reported to the Centers for Medicare & Medicaid Services (CMS) did not agree with the amounts supported by the accounting records. There was no audit trail to support the drug rebate activities reported to CMS. As a result, there is no assurance that the program has provided CMS with an accurate picture of the drug rebate program. We were unable to ascertain how the inaccurate reporting occurred.

We recommend that TennCare verify all amounts reported on the CMS 64.9R to ensure that those amounts tie directly back to the amounts recorded in the accounting records.

TennCare officials agreed with our findings and have taken steps to identify and correct their reporting issues. TennCare's comments are included as an Appendix to our report.

Final determination as to actions taken on all matters reported will be made by the Department of Health and Human Services (HHS) action official named below. We request that you respond to the HHS action official within 30 days from the date of this letter. Your response should present any comments or additional information that you believe may have a bearing on the final determination

In accordance with the principles of the Freedom of Information Act, 5 United States Code 552, as amended by Public Law 104-231, Office of Inspector General reports are made available to members of the public to the extent information contained therein is not subject to exemptions in the Act which the Department chooses to exercise (see 45 Code of Federal Regulations, Part 5).

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As such, within 10 business days after the final report is issued, it will be posted on the World Wide Web at <http://oig.hhs.gov>.

To facilitate identification, please refer to report number A-04-03-06012 in all correspondence relating to this report.

Sincerely,



Charles J. Curtis
Regional Inspector General
for Audit Services, Region IV

Enclosures – as stated

HHS Action Official:

Associate Regional Administrator
Centers for Medicare & Medicaid Services, Region IV
Division of Medicaid and State Operations
61 Forsyth Street, S.W., Suite 4T20
Atlanta, Georgia 30303

Department of Health and Human Services

**OFFICE OF
INSPECTOR GENERAL**

**AUDIT OF THE MEDICAID DRUG
REBATE PROGRAM IN THE
STATE OF TENNESSEE**



**SEPTEMBER 2003
A-04-03-06012**

Notices

THIS REPORT IS AVAILABLE TO THE PUBLIC
at <http://oig.hhs.gov>

In accordance with the principles of the Freedom of Information Act (5 U.S.C. 552, as amended by Public Law 104-231), Office of Inspector General, Office of Audit Services reports are made available to members of the public to the extent the information is not subject to exemptions in the act. (See 45 CFR Part 5.)

OAS FINDINGS AND OPINIONS

The designation of financial or management practices as questionable or a recommendation for the disallowance of costs incurred or claimed, as well as other conclusions and recommendations in this report, represent the findings and opinions of the HHS/OIG/OAS. Authorized officials of the HHS divisions will make final determination on these matters.



REGION IV
61 Forsyth Street, S.W., Suite 3T41
Atlanta, Georgia 30303

September 2, 2003

Report Number: A-04-03-06012

Mr. Manny Martins, Deputy Commissioner
Bureau of TennCare
Department of Finance and Administration
729 Church Street
Nashville, Tennessee 37247

Dear Mr. Martins:

This final report provides you with the results of an Office of Inspector General's, (OIG) review entitled, *Audit of the Medicaid Drug Rebate Program in the State of Tennessee*.

EXECUTIVE SUMMARY

The audit objective was to evaluate whether the Bureau of TennCare had established adequate accountability and internal controls over the Medicaid drug rebate program. Our audit covered Medicaid drug rebates through June 30, 2002.

TennCare, through its contractor Electronic Data Systems (EDS), has adequate accounting procedures and internal controls to effectively pursue outstanding receivables from drug manufacturers. However, TennCare does not have sufficient control and accountability over its reporting of drug rebate activities. Specifically, we found the amounts reported to the Centers for Medicare & Medicaid Services (CMS) did not agree with the amounts supported by the accounting records. There was no audit trail to support the drug rebate activities reported to CMS. As a result, there is no assurance that the program has provided CMS with an accurate picture of the drug rebate program. We were unable to ascertain how the inaccurate reporting occurred. However, TennCare is aware of the reporting error and is in the process of adjusting the CMS 64.9R for the quarter ended December 31, 2002.

We recommend that TennCare verify all amounts reported on the CMS 64.9R to ensure that those amounts tie directly back to the amounts recorded in the accounting records.

TennCare responded to our draft report in a letter dated August 15, 2003. TennCare officials agreed with our findings and have taken steps to correct their reporting issues. However, they did not agree with 2 amounts reported in our chart on page 4 of this report. Based on their experience, TennCare officials also discussed what they believe are shortcomings in the Medicaid drug rebate reporting system. TennCare's complete response is included in the Appendix to this report.

INTRODUCTION

BACKGROUND

On November 5, 1990, Congress enacted the Omnibus Budget Reconciliation Act of 1990, which among other provisions established the Medicaid drug rebate program. Responsibility for the rebate program is shared among the drug manufacturer(s), CMS, and the State(s). The legislation was effective January 1, 1991. CMS also issued release memorandums to State agencies and manufacturers throughout the history of the rebate program to give guidance on numerous issues related to the Medicaid drug rebate program.

A drug manufacturer is required to enter into, and have in effect, a rebate agreement with CMS in order to have its products covered under the Medicaid program. After a rebate agreement is signed, the manufacturer is required to submit a listing to CMS of all covered outpatient drugs, and to report to CMS its average manufacturer price and best price information for each covered outpatient drug. Approximately 520 pharmaceutical companies participate in the program.

CMS provides the unit rebate amount (URA) information to the State agency on a quarterly computer tape. However, the CMS tape may contain a \$0 URA if the pricing information was not provided timely, or if the pricing information has a 50 percent variance from the previous quarter. In instances of \$0 URAs, the State agency is instructed to invoice the units and the manufacturer should pay the rebate based on the manufacturer's information. In addition, the manufacturers often change the URA based on updated pricing information, and submit this information to the State agency in the Prior Quarter Adjustment Statement (PQAS).

Each State agency is required to maintain the number of units dispensed, by manufacturer, for each covered drug. Approximately 56,000 National Drug Codes (NDC) are available under the program. Each State agency multiplies the URA by the drug utilization for each drug to determine the actual rebate amounts due from the manufacturer. CMS requires each State agency to provide drug utilization data to the manufacturer.

The manufacturer has 38 days from the day a State agency sends an invoice to pay the rebate. The manufacturers submit to the State agency a Reconciliation of State Invoice (ROSI) that details the current quarter's payment by NDC. A manufacturer can dispute utilization data that it believes is erroneous, but the manufacturer is required to pay the undisputed portion by the due date. If the manufacturer and the State agency cannot in good faith resolve the discrepancy, the manufacturer must provide written notification to the State agency by the due date. If the State agency and the manufacturer are not able to resolve the discrepancy within 60 days, the State agency must make a hearing mechanism available to the manufacturer, under the Medicaid program, in order to resolve the dispute.

Each State agency reports, on a quarterly basis, outpatient drug expenditures and rebate collections on the Form CMS 64.9R. This report is part of the Form CMS 64 report, which summarizes actual Medicaid expenditures for each quarter and is used by CMS to reimburse the Federal share of these expenditures.

TennCare reported to CMS an average of \$26.3 million in billings per quarter and collections of (\$31.5) million per quarter during the period beginning January 1, 1991 and ending June 30, 2002. TennCare reported (\$126,440,241) on the CMS 64.9R as the outstanding balance as of June 30, 2002. Of this amount, (\$1,855,505) was reported as outstanding over 90 days.

TennCare contracts with Consultec to obtain drug utilization data. Consultec provides EDS with the detailed listing of drugs utilized during a quarter. EDS used the URA information from CMS to prepare and mail invoices to the drug manufacturers. TennCare staff receive the rebate payments from the drug manufacturers and perform the functions of depositing funds, posting payments to the general ledger, and preparing the CMS 64 reports.

OBJECTIVE, SCOPE, AND METHODOLOGY

Objective

The audit objective was to evaluate whether the Bureau of TennCare had established adequate accountability and internal controls over the Medicaid drug rebate program.

Scope

Our audit was performed in accordance with generally accepted government auditing standards. We reviewed TennCare and EDS' policies, procedures, and controls with regard to manufacturer's drug rebates for the period ending June 30, 2002. Our review of internal controls was limited to the controls concerning drug rebate billing, collection, and dispute resolution. This was accomplished through interviews and testing pertaining exclusively to the drug rebate program. We limited the scope of our review of internal controls because our audit objective did not require a full assessment or understanding of the TennCare and EDS internal control structure.

Methodology

To accomplish our objective, we interviewed TennCare officials to determine the policies, procedures and controls that existed with regard to the Medicaid drug rebate program. Also, we interviewed staff members that performed functions related to the drug rebate program, and we interviewed the contractor staff to determine its role in the invoicing process. In addition, we obtained and reviewed drug rebate accounts receivable records and compared this data to the Form CMS 64.9R report for June 30, 2002.

Fieldwork was performed at TennCare's office in Nashville, Tennessee during March 2003, and continued in the Jacksonville, Florida Field Office through May 2003.

FINDINGS AND RECOMMENDATIONS

TennCare, through its contractor EDS, has adequate accounting procedures and internal controls to effectively pursue outstanding receivables from drug manufacturers. However, TennCare does not have sufficient control and accountability over its reporting of drug rebate activities. Specifically, we found the amounts reported to the CMS did not agree with the amounts supported by the accounting records. We were unable to ascertain how the inaccurate reporting occurred. There was no audit trail to support the drug rebate activities reported to CMS. As a result, there is no assurance that the program has provided CMS with an accurate picture of the drug rebate program.

TennCare, in conjunction with EDS, maintains detailed billing records by drug manufacturer. Billing and accounting responsibilities are properly segregated and there are adequate internal controls in place to ensure that manufacturers are billed each quarter, that the bills are maintained as a basis for collections, and that rebates and interest due for late rebate payments are timely recorded and reconciled with accounting records. Subsidiary records at the manufacturers' level included reconciliation of payments with the ROSI and the PQAS and that the information was recorded at the NDC levels. Also, invoices to manufacturers included the drug utilization units for \$0 URAs and interest on late payments, which were verified and recorded upon receipt.

However, the amounts reported on the CMS 64.9R do not reconcile to the accounting records.

<i>Quarter Ended June 30,</i>	<i>Reported On CMS 64.9R</i>	<i>Supported by Accounting Records</i>	<i>Difference</i>
Billed – Qtr ended 6/30/02	\$0.0 m	\$47.7 m	\$ 47.7 m
Collected – Qtr ended 6/30/02	(\$45.4) m	\$2.8 m	(\$42.6) m
Outstanding – as of 6/30/02	(\$126.4) m	\$44.9 m	(\$81.5) m
Outstanding Over 90 days- as of 6/30/02	(\$81.0) m	\$1.9 m	(\$79.2) m

We were unable to ascertain how the inaccurate reporting occurred. However, TennCare is aware of the reporting error and has discussed the problem with CMS. According to a TennCare official, CMS instructed the State to correct the reporting error through an adjustment to the CMS 64.9R for the quarter ended December 31, 2002.

RECOMMENDATIONS

We recommend that TennCare verify all amounts reported on the CMS 64.9R to ensure that those amounts tie directly back to the amounts recorded in the accounting records.

TennCare's Response And OIG's Comments

TennCare responded to our draft report in a letter dated August 15, 2003. TennCare officials agreed with our findings and have taken steps to correct their reporting issues. However, they did not agree with 2 amounts reported in our chart on page 4 of this report. TennCare officials also discussed what they believe are shortcomings in the Medicaid drug rebate reporting system. The TennCare response and OIG Comments are summarized below. Their complete response is included in the Appendix to this report.

TennCare Response

TennCare concurred with our recommendations to verify amounts reported on the CMS 64.9R. They have identified the source of past discrepancies and submitted an adjusted CMS 64.9R for the quarter ended December 31, 2002 to correct the errors. They also began a review process in the June 20, 2003 quarter to verify that amounts reported on the CMS-64.9R agree with the accounting records. TennCare noted that problems with the CMS reporting program also contribute to incorrect reporting. Specifically, they believe the program fails to carry forward the correct ending balance of rebates due from one quarter to the beginning balance of the next quarter.

TennCare disagreed with the amount we reported as billed on the CMS 64.9R in the June 2002 quarter and with the \$2.8 million we reported as collected per their accounting records. TennCare submitted copies of revised CMS 64.9Rs with their response to the draft report. These CMS 64.9Rs show \$47.7 million in billed rebates. They stated that the \$2.8 million in collections we reported was for the June 2002 quarter only and that cumulatively, their accounting records support \$45.4 million in collections as of June 2002.

OIG Comments

We commend TennCare's efforts to improve their drug rebate reporting. We agree that errors in carrying forward the drug rebate ending balances from one quarter to the beginning balances of the next quarter contribute to reporting errors and inconsistencies and should be corrected by CMS.

With respect to TennCare's disagreement with the amounts we reported as billed and collected, we note that the numbers were based on information provided during our site visit. It appears that TennCare's revised reporting and analysis have reconciled the differences.

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To facilitate identification, please refer to report number A-04-03-06012 in all correspondence relating to this report.

Sincerely,

A handwritten signature in cursive script, appearing to read "Charles J. Curtis".

Charles J. Curtis
Regional Inspector General
for Audit Services, Region IV

Direct Reply to HHS Action Official:

Associate Regional Administrator
Centers for Medicare & Medicaid Services, Region IV
Division of Medicaid and State Operations
61 Forsyth Street, S.W., Suite 4T20
Atlanta, Georgia 30303

APPENDIX

RECEIVED

AUG 25 2003



STATE OF TENNESSEE
BUREAU OF TENNCARE
DEPARTMENT OF FINANCE AND ADMINISTRATION
729 CHURCH STREET
NASHVILLE, TENNESSEE 37247-6501

August 15, 2003

Mr. Charles J. Curtis
Department of Health and Human Services
Office of Inspector General
Office of Audit Services
Region IV
61 Forsyth Street, S.W., Suite 3T41
Atlanta, GA 30303

Dear Mr. Curtis:

Subject: State of Tennessee Response to Report Number A-04-03-06012

We have received the June 2003 draft report entitled, "Audit of the Medicaid Drug Rebate Program in the State of Tennessee". The audit produced a recommendation that TennCare verify all amounts reported on the CMS 64.9R to ensure that those amounts agree with amounts recorded in the accounting records. Our response to the finding follows:

RESPONSE

The Bureau of TennCare concurs with the audit finding that amounts reported to CMS on the 64.9R report did not match our accounting records. The difference began in the first quarter 2002 report and was caused in part by clerical errors in the data entry process. Per CMS instructions, TennCare submitted an adjusted 64.9R report for the quarter ended December 31, 2002 to correct the errors and report the correct rebate information as of that date in lieu of restating all four reports involved. TennCare began a review process in the June 30, 2003 quarter, to verify that amounts reported on the CMS 64.9R agree with accounting records.

Problems with the CMS reporting program also contribute to incorrect reporting. The program fails to carry forward the correct ending balance of rebates due from one quarter to the beginning balance for the next quarter. This creates further disparity between accounting records and 64.9R reports. The attached CMS 64.9R reports (attachment A) illustrate this problem. A \$36,968,679 error was created when total receivables at March 31, 2002 of \$19,207,921 were changed by the CMS program to (\$17,760,758) for the beginning balance on the next report at June 30, 2002. CMS system personnel are aware of this issue and are working to correct the system.

We do not agree with amounts in the table on page 4 of the audit report. The table indicates \$0.0 m billed in the June 2002 quarter per our 64.9R report; attachment B shows \$47.7 m billing reported to CMS on the 64.9R report. The \$2.8 m collection figure in the table refers only to collections recorded for the June 2002 billing; both our accounting records and the 64.9R report reflect the entire \$45.4 m rebates collected.

Questions concerning this letter may be addressed to Sybil Creekmore at (615) 741-0018 or via e-mail to Sybil.Creekmore@state.tn.us.

Sincerely,

Manny Martins
Manny Martins *as*
Deputy Commissioner



Drug Rebate Schedule

Drug Rebate Schedule

State: Tennessee
Agency: CMS
Quarter Ended: 03/31/2002

Total Computable
(a)

Drug Rebate	Qtr Ending	Qtr Ending	Qtr Ending	Qtr Ending	Qtr Ending	Total
	3/30/2002 (a)	12/31/2001 (h)	9/30/2001 (c)	6/30/2001 (d)	3/30/2001 (e)	
1 Balance/Beginning of Quarter		26,827,506	66,010	351,751	(12,508,076)	14,737,191
2 Adjustments		3,899,174	62,897	99,888	308,771	4,470,730
3 Rebates Invoiced	31,638,467					31,638,467
4 Subtotal	31,638,467	30,826,680	128,907	451,639	(12,199,305)	50,846,388
5 Rebates Reported	(968,477)	(30,046,370)	(274,111)	(158,895)	(190,614)	(31,638,467)
6 Balance/End of Quarter	30,669,990	780,310	(145,204)	292,744	(12,389,919)	19,207,921

Narrative:

MFG	MEDICAID DRUG REBATE SCHEDULE
AMOUNT	DISPUTE
ELI LILLY AND COMPANY	REASON WHY OUTSTANDING
\$81,693.43	UNITS, REBATE RATES, UNITS OF MEASURE
SANOFI WINTHROP PHARMACEUT	REVIEWING FOR ADJUSTMENTS
\$26,065.73	UNKNOWN
SANDOZ PHARMACEUTICALS COR	MANUFACTURER WON'T PAY
\$39,717.00	USAGE EXCEEDS EXPECTED SALES
SCHERING CORPORATION	WRITE-OFF REQUESTED
\$49,661.17	UNITS
BOEHRINGER INGELHEIM PHARMA	WRITE-OFF REQUESTED
\$22,225.42	USAGE EXCEEDS EXPECTED SALES
DISTA PRODUCTS CO DIV ELI	WRITE-OFF REQUESTED
\$22,390.66	UNITS, REBATE RATES, UNITS OF MEASURE
\$241,753.41	REVIEWING FOR ADJUSTMENTS
	TOTAL FOR 1991
ELI LILLY AND COMPANY	UNITS, REBATE RATES, UNITS OF MEASURE
\$299,529.68	REVIEWING FOR ADJUSTMENTS
SCHERING CORPORATION	GENERIC SUBSTITUTION



Drug Rebate Schedule

Drug Rebate Schedule	State: Tennessee
	Agency: CMS
	Quarter Ended: 06/30/2002

Total Computable
(a)

Drug Rebate	Qtr Ending 6/30/2002 (a)	Qtr Ending 3/30/2002 (b)	Qtr Ending 12/31/2001 (c)	Qtr Ending 9/30/2001 (d)	Qtr Ending 6/30/2001 (e)	Total (f)
1 Balance/Beginning of Quarter		30,669,990	(36,188,369)	(145,204)	(12,097,175)	(17,760,758)
2 Adjustments		1,357,969	(133,538)	703,142	252,509	2,180,084
3 Rebates Invoiced	47,719,878					47,719,878
4 Subtotal	47,719,878	32,027,959	(36,321,905)	557,938	(11,844,666)	32,139,204
5 Rebates Reported	(2,841,168)	(42,161,480)	(271,681)	(178,380)	50,160	(45,402,549)
6 Balance/End of Quarter	44,878,710	(10,133,521)	(36,593,586)	379,558	(11,794,506)	(13,263,345)

Narrative:	
MFG AMOUNT ELI LILLY AND COMPANY \$81,693.43 SANOFI WINTHROP PHARMACEUTIC \$26,065.73 SANDOZ PHARMACEUTICALS CORPO \$37,514.46 SCHERING CORPORATION \$49,661.17 BOEHRINGER INGELHEIM PHARMAC \$22,225.42 DISTA PRODUCTS CO DIV OF ELI LIL \$22,390.66 \$239,550.87	DISPUTE REASON WHY OUTSTANDING UNITS, REBATE RATES, UNITS OF MEASURE REVIEWING FOR ADJUSTMENTS UNKNOWN MANUFACTURER WON'T PAY USAGE EXCEEDS EXPECTED SALES WRITE-OFF REQUESTED UNITS WRITE-OFF REQUESTED USAGE EXCEEDS EXPECTED SALES WRITE-OFF REQUESTED UNITS, REBATE RATES, UNITS OF MEASURE REVIEWING FOR ADJUSTMENTS TOTAL FOR 1991
ELI LILLY AND COMPANY \$299,529.68 SCHERING CORPORATION \$195,587.04	UNITS, REBATE RATES, UNITS OF MEASURE REVIEWING FOR ADJUSTMENTS GENERIC SUBSTITUTION WRITE-OFF REQUESTED

Department of Health and Human Services
Centers for Medicare & Medicaid Services

Form Approved
OMB NO 0938-0067

Medicaid Drug Rebate Schedule

State: Tennessee

Quarter Ended: 06/30/2002

Drug Rebate	Total Computable					Total
	Qtr. Ending 06/30/2002	Qtr. Ending 03/31/2002	Qtr. Ending 12/31/2001	Qtr. Ending 09/30/2001	Qtr. Ending 06/30/2001 and Prior	
	(A)	(B)	(C)	(D)	(E)	
Balance Of The Beginning Of The Quarter						
Adjustments To Previously Reported Rebates From Drug Labelers Included In Line 1		1,357,969	(133,536)	703,142	252,509	
Rebates Invoiced In This Quarter	47,719,878					
Subtotal	47,719,878	1,357,969	(133,536)	703,142	252,509	
Rebates Reported On This Expenditure Report	(2,841,168)	(42,161,480)	(271,681)	(178,380)	50,160	
Balance As Of The End Of The Quarter	44,878,710	1,357,969	(133,536)	703,142	252,509	

NOTE:

MFG	DISPUTE
AMOUNT	REASON WHY OUTSTANDING
LILLY AND COMPANY	UNITS, REBATE RATES, UNITS OF MEASURE
1,893.43	REVIEWING FOR ADJUSTMENTS
UNO WINTHROP PHARMACEUTIC	UNKNOWN
6,065.73	MANUFACTURER WON'T PAY
UNDOZ PHARMACEUTICALS CORPO	USAGE EXCEEDS EXPECTED SALES
7,514.46	WRITE-OFF REQUESTED
CHERING CORPORATION	UNITS
3,661.17	WRITE-OFF REQUESTED
CHERINGER INGELHEIM PHARMAC	USAGE EXCEEDS EXPECTED SALES
1,225.42	WRITE-OFF REQUESTED
ATA PRODUCTS CO DIV OF ELI LIL	UNITS, REBATE RATES, UNITS OF MEASURE
1,390.66	REVIEWING FOR ADJUSTMENTS
19,550.87	TOTAL FOR 1991
LILLY AND COMPANY	UNITS, REBATE RATES, UNITS OF MEASURE
39,529.68	REVIEWING FOR ADJUSTMENTS
CHERING CORPORATION	GENERIC SUBSTITUTION
95,587.04	WRITE-OFF REQUESTED
95,116.72	TOTAL FOR 1992
LILLY AND COMPANY	UNITS, REBATE RATES, UNITS OF MEASURE
78,067.81	REVIEWING FOR ADJUSTMENTS
JECHST-ROUSSEL PHARMACEUTIC	UNITS PER RX OUT OF RANGE
7,936.78	REVIEWING FOR ADJUSTMENTS
NEIL PHARMACEUTICAL	GENERIC SUBSTITUTION
132,236.89	REVIEWING FOR ADJUSTMENTS
CHERING CORPORATION	GENERIC SUBSTITUTION
31,327.94	REVIEWING FOR ADJUSTMENTS
369,569.42	TOTAL FOR 1993
LILLY AND COMPANY	UNITS, REBATE RATES, UNITS OF MEASURE
5,947.07	REVIEWING FOR ADJUSTMENTS
MERCK SHARP & DOHME	REIMBURSEMENT TOO LOW
5,432.86	NO PAYMENT REC'D AFTER ADJUSTMENT
CHERINGER INGELHEIM PHARMAC	UNITS EXCEED EXPECTED SALES
1,463.13	ADJUSTMENTS PENDING
BOTT LABORATORIES	UTILIZATION INCONSISTENT WITH NO. OF RXS
2,267.86	REVIEWING FOR ADJUSTMENTS
CHERING CORPORATION	GENERIC SUBSTITUTION
1,460.96	REVIEWING FOR ADJUSTMENTS
OFFMAN-ROCHE INC	REBATE RATE ADJUSTMENTS

Appendix
Page 5 of 5

ACKNOWLEDGMENTS

This report was prepared under the direction of Charles J. Curtis, Regional Inspector General for Audit Services, Region IV. Other principal Office of Audit Services' staff that contributed includes:

Mary Ann Moreno, *Audit Manager*

Timothy L. Crye, *Senior Auditor*

Michael Abbott, *Auditor in Charge*

For information or copies of this report, please contact the Office of Inspector General's Public Affairs office at (202) 619-1343