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## **HOT TOPICS & BEST PRACTICES**

### **Threshold (Write-off) Reminders for Medicaid Drug Rebates**

In program guidance issued on June 29, 2017, CMS reminds both manufacturers and states of the current thresholds regarding the differing types of drug rebate write-offs for cases in which states are unable to collect rebates from manufacturers.

#### **Resources:**

State Release # 181: <http://www.medicare.gov/Medicare-CHIP-Program-Information/By-Topics/Prescription-Drugs/Downloads/Rx-Releases/MFR-Releases/mfr-rel-105.pdf>

Labeler Release # 105: <http://www.medicare.gov/Medicare-CHIP-Program-Information/By-Topics/Prescription-Drugs/Downloads/Rx-Releases/MFR-Releases/mfr-rel-105.pdf>

### **Reminder: State Hearing Mechanism Option Available**

In program guidance issued on June 29, 2017, CMS reminds states that they should make manufacturers aware of the process to request a hearing in that state. While most manufacturers and states prefer to engage in the dispute resolution process, the state hearing mechanism is available to both states and manufacturers as a viable option for resolving disputes.

#### **Resources:**

State Release # 181: <http://www.medicare.gov/Medicare-CHIP-Program-Information/By-Topics/Prescription-Drugs/Downloads/Rx-Releases/State-Releases/state-rel-181.pdf>

Labeler Release # 105: <http://www.medicare.gov/Medicare-CHIP-Program-Information/By-Topics/Prescription-Drugs/Downloads/Rx-Releases/MFR-Releases/mfr-rel-105.pdf>

### **Updates/Additions to Existing Adjustment/Dispute Codes Reported on the Reconciliation of State Invoice (ROSI) and the Prior Quarter Adjustment Statement (PQAS)**

In program guidance issued on June 29, 2017, CMS addresses a few dispute scenarios that were not adequately represented within the current ROSI (form CMS-304) or the PQAS (form CMS-304a) adjustment/dispute codes, and provides further clarification and (where applicable) revisions in order to address these situations.

#### **Resources:**

State Release # 181: <http://www.medicare.gov/Medicare-CHIP-Program-Information/By-Topics/Prescription-Drugs/Downloads/Rx-Releases/State-Releases/state-rel-181.pdf>

Labeler Release # 105: <http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Prescription-Drugs/Downloads/Rx-Releases/MFR-Releases/mfr-rel-105.pdf>

## **Nonresponsive Manufacturers and Delinquent Rebate Payments**

In program guidance issued on June 29, 2017, CMS illustrates the difference between non-payment of rebate invoices and dispute resolution.

### **Resources:**

State Release # 181: <http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Prescription-Drugs/Downloads/Rx-Releases/State-Releases/state-rel-181.pdf>

Labeler Release # 105: <http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Prescription-Drugs/Downloads/Rx-Releases/MFR-Releases/mfr-rel-105.pdf>

## **Non-Compliant State Drug Utilization Data (SDUD)**

Many states are sending SDUD and quarterly rebate invoices with obvious errors that should be detected and corrected at the time of claim adjudication or provider invoice utilization review for physician-administered drug claims. CMS is reviewing SDUD for which minimal edits are not applied, and will work with states before taking any necessary compliance action. For states, data editing and correction before rebate billing and SDUD transmission is an important requirement and best practice. The DRP Team shared program guidance on this topic on July 21, 2016.

### **Resources:**

State Release # 177: <http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Prescription-Drugs/Downloads/Rx-Releases/State-Releases/state-rel-177.pdf>

Labeler Release # 100: <http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Prescription-Drugs/Downloads/Rx-Releases/MFR-Releases/mfr-rel-100.pdf>

## **NDC-specific Unit of Measure (UOM) guidance to all states:**

The DRP Team has been working with labelers of NDCs with UOM issues that cause rebate billing errors. As a reminder, it is considered a best practice for labelers and states to work proactively to communicate as soon as UOM issues cause rebate over and understatement.

The table available at the following link contains the guidance to all states from the DRP Team. [State Guidance Chart](#) (updated July 2016)

## **Best Practices: Sharing & Requesting Claims-Level Data (CLD)**

The DRP Team shared information on general best practices on labeler requests for, and state sharing, of CLD on December 31, 2015.

### **Resources:**

State Release #173: <http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Prescription-Drugs/Downloads/Rx-Releases/State-Releases/state-rel-173.pdf>

Labeler Release #95: <http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Prescription-Drugs/Downloads/Rx-Releases/MFR-Releases/mfr-rel-095.pdf>

## **Limitations on Disputing NDCs with Retroactively Reported Termination Dates**

The DRP Team shared information about dispute limitations on retroactively reported termination dates on September 12, 2014.

### **Resources:**

State Release #168: <http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Prescription-Drugs/Downloads/Rx-Releases/State-Releases/state-rel-168.pdf>

Labeler Release #91: <http://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Prescription-Drugs/Downloads/Rx-Releases/MFR-Releases/mfr-rel-091.pdf>