

October 22, 1999

**MEDICAID DRUG REBATE PROGRAM RELEASE #94**

## **For State Medicaid Directors**

### **LABELERS NOT PAYING REBATES**

We are requesting that States report to HCFA, on an ongoing basis, those labelers that are not paying rebates to States in accordance with section 1927 of the Social Security Act and the Rebate Agreement. (When reporting this information, please **exclude** those labelers currently engaged in the dispute resolution process.) If you have a labeler(s) who is not paying rebates and is not disputing the corresponding units for those rebates, report the labeler(s) to us as soon as possible. However, before reporting the labeler(s), please ensure that you have contacted the labeler(s) to discuss the reason for nonpayment and that your contacts are documented. Please inform us of the labeler(s) and its labeler code(s), the quarters for which rebates are owed, the corresponding dollar amounts for those quarters, and what reason was given for nonpayment. Send this information to Vince Powell at our P.O. address listed in section "O" of the Medicaid Drug Rebate Operational Training Guide.

Although HCFA is not responsible for collecting rebates, we can assist States in obtaining labeler compliance. In addition, HCFA's knowledge of nonpaid rebates would be a consideration in the reinstatement of any labeler to the program.

### **TERMINATED LABELERS**

The following labeler is being terminated effective October 1, 1999:

Komax Pharmaceuticals, Inc. (Labeler Code 62431).

The following labeler is being terminated effective January 1, 2000:

Care Technologies, Inc. (Labeler Code 62653).

### **ATTACHMENTS**

A copy of the topic index and a current listing of the 90-day treasury bill auction rates beginning with the period April 13, 1998, are attached.

Please remember to direct your drug rebate questions to a staff member listed in section "O" of the Medicaid Drug Rebate Operational Training Guide.

Timothy M. Westmoreland

Director

2 Attachments

cc:

All State Drug Rebate Technical Contacts

All Regional Administrators

All Associate Regional Administrators, Division of Medicaid