

5-26

Secretary of State
Certificate and Order for Filing
PERMANENT ADMINISTRATIVE RULES

I certify that the attached copies* are true, full and correct copies of the Permanent Rule(s) adopted on 5/21/2006 by the
Date prior to or same as filing date

Department of Human Services, Office of Medical Assistance Programs 410
Agency and Division Administrative Rules Chapter Number

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to become effective June 1, 2006. Notice was published in the May 1, 2006 Oregon Bulletin.**
Date upon filing or later Month and Year

FILED

MAY 26 2006

**ARCHIVES DIVISION
SECRETARY OF STATE**

RULEMAKING ACTION
List each rule number separately, 000-000-0000.

Rule Filing Caption: Medicaid Drug Rebate Program list from CMS letter dated March 15, 2006

AMEND: 410-121-0157, Participation in Medicaid Drug Rebate Program

ORS 409
Stat. Auth.: ORS

The above named agency gives notice that pursuant to the statutory authority of: ORS 409.010, Department of Human Services function, recipient of federal funds or Chapter(s) 409.110; Authority of Director, Oregon Laws 19 or House Bill(s) or Senate Bill(s) 19 Legislature

Other Authority

414.065
Stats. Implemented: ORS

RULE SUMMARY

The Pharmaceutical Services program rules govern Office of Medical Assistance Programs' (OMAP) payments for services provided to clients. Having temporarily amended rule 410-121-0157 to reference the updated information regarding participating pharmaceutical companies to the Medicaid Drug Rebate Program, in compliance with federal regulations, OMAP permanently amended this rule. Updates include information from CMS Release #140, dated March 15, 2006, indicating the changes to be effective April 1, 2006.

Lynn Read
Lynn Read, Authorized Signer

5/30/06
Date

OMAP 12-2006

Participation in the Medicaid Drug Rebate Program

(1) The Oregon Medicaid Pharmaceutical Services Program is a participant in the Centers for Medicare and Medicaid Services (CMS) Medicaid Drug Rebate Program, created by the Omnibus Budget Reconciliation Act (OBRA) of 1990. The Medicaid Drug Rebate Program requires a drug manufacturer to enter into and have in effect a national rebate agreement with the Secretary of the Department of Health and Human Services for States to receive federal funding for outpatient drugs dispensed to Medicaid patients. The drug rebate program is administered by CMS's Center for Medicaid and State Operations (CMSO). Pharmaceutical companies participating in this program have signed agreements with CMS to provide rebates to the Office of Medical Assistance Programs (OMAP) on all their drug products. OMAP will reimburse providers only for outpatient drug products manufactured or labeled by companies participating in this program.

(2) Documents in rule by reference: Names and Labeler Code numbers for participants in the Medicaid Drug Rebate Program are the responsibility of and maintained by CMS. OMAP receives this information from CMS in the form of numbered and dated Releases. Subsequently, OMAP produces and updates Master Pharmaceutical Manufacturer's Rebate Lists (Lists), alphabetical and numeric, by manufacturer. These lists are used by OMAP providers to bill for services. OMAP includes in rule by reference, the following CMS Releases and subsequent OMAP Master Pharmaceutical Manufacturer's Rebate Lists: Release #128, dated January 21, 2004 – Lists updated February 10, 2004; Release #129, dated February 19, 2004 and Release #130, dated April 30, 2004 - Lists updated May 13, 2004; Release #132, dated June 22, 2004 – Lists updated July 19, 2004; Release #133, dated August 13, 2004 – Lists updated August 24, 2004; Release #134, dated November 18, 2004 – Lists updated December 16, 2004; Release #135, dated December 10, 2004 – Lists updated February 14, 2005; Release #136, dated February 17, 2005 – Lists updated March 30, 2005; Release #137, dated May 13, 2005 and Lists updated June 23, 2005; Release #138, dated August 5, 2005, and Lists updated August 19, 2005, and; Release #140, dated March 15, 2006, and Lists updated March 17, 2006. All CMS Releases are available on the Department of Human Services' website:

www.dhs.state.or.us/policy/healthplan/guides/pharmacy/main.html, and on the CMS website:

www.cms.hhs.gov/medicaid/drugs/drughmpg.asp and the subsequent OMAP Master Pharmaceutical Manufacturer's Rebate Lists, are available on the Department of Human Services' website:

www.dhs.state.or.us/policy/healthplan/guides/pharmacy/main.html.

(3) Retroactive effective dates: The CMS Medicaid Drug Rebate Program experiences frequent changes in participation and often this information is submitted to OMAP after the effective date(s) of some changes. Therefore, certain participant additions and deletions may be effective retroactively. See specific instructions in the CMS Releases for appropriate effective date(s) of changes.

(4) OMAP contracts with First Health Services to manage the Medicaid Rebate Dispute Resolution program. Pharmacy providers must verify the accuracy of their Medicaid pharmacy claims with First Health Services within 30 days of request in instances where drug manufacturers dispute their claim information. Verification can be photocopies of drug invoices showing that the billed products were in stock during the time of the date of service.

(5) The actual National Drug Code (NDC) dispensed and the actual metric decimal quantity dispensed, must be billed.

Stat. Auth.: ORS 409

Stats. Implemented: ORS 414.065