

Secretary of State  
Certificate and Order for Filing  
**PERMANENT ADMINISTRATIVE RULES**

12-28

I certify that the attached copies\* are true, full and correct copies of the PERMANENT Rule(s) adopted on 11/25/2006 by the  
Date prior to or same as filing date

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

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to become effective 1/1/2007. Rulemaking Notice was published in the 11/1/2006 Oregon Bulletin.\*\*  
Date upon filing or later Month and Year

**RULEMAKING ACTION**

**Rule Filing Caption:** 2006 - Medicaid Drug Rebate Program list updates from Centers for Medicare and  
Medicaid Services (CMS)

**AMEND:** 410-121-0157

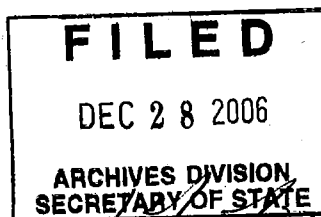
Stat. Auth.: ORS 409.010, Department of Human Services function, recipient of federal funds, or Chapter(s),  
409.110; Authority of Director; and ORS 409.050, Rules.

Stats. Implemented: ORS 414.065

**Subject Matter**

The Pharmaceutical Services program rules govern Division of Medical Assistance Programs' (DMAP) payments for services provided to certain clients. OAR 410-121-0157 references the CMS Federal Medicaid Rebate List that provides information regarding pharmaceutical companies participating in the Medicaid Drug Rebate Program that meets criteria set forth in section 1927(b) of the Social Security Act. DMAP must use this list for payment reimbursement to providers, in compliance with federal regulations. DMAP receives all updates to this list from CMS in the form of numbered releases, and subsequently amends rule 410-121-0157 to reference the releases and updated lists.

DMAP amended this rule to reference updates received July 3, 2006 (for the quarter April through June) and August 23, 2006 (for the quarter July through September). All updates are posted on the following website:  
<http://www.dhs.state.or.us/policy/healthplan/guides/pharmacy/main.html>  
The information can also be obtained by contacting DMAP.



Allen Douma, Lynn Read or Jim Edge: Authorized Signers

Date

410-121-0157

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 Division of Medical Assistance Programs (DMAP) on all their drug products. DMAP 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. DMAP receives this information from CMS in the form of numbered and dated Releases. Subsequently, DMAP produces and updates Master Pharmaceutical Manufacturer's Rebate Lists (Lists), alphabetical and numeric, by manufacturer. These lists are used by DMAP providers to bill for services. DMAP includes in rule by reference, the following CMS Releases and subsequent DMAP Master Pharmaceutical Manufacturer's Rebate Lists: 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 #139, dated December 1, 2005 - Lists updated December 8, 2005; Release #140, dated March 15, 2006, and Lists updated March 17, 2006, Release # 142, dated July 3, 2006, and Lists updated July 12, 2006; Release # 143, dated August 23, 2006, and Lists updated August 29, 2006.

All CMS Releases are available on the Department of Human Services' website: [www.dhs.state.or.us/policy/healthplan/guides/pharmacy/main.html](http://www.dhs.state.or.us/policy/healthplan/guides/pharmacy/main.html), and on the CMS website: [www.cms.hhs.gov/medicaid/drugs/drughmpg.asp](http://www.cms.hhs.gov/medicaid/drugs/drughmpg.asp), and the subsequent DMAP 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](http://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 DMAP 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) DMAP 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