

## Facts about managed care organization drug rebates

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Since 1991, outpatient Medicaid pharmacy providers have billed fee-for-service prescriptions using National Drug Codes (NDCs) so that DMAP can collect Medicaid drug rebates for those prescriptions. The Deficit Reduction Act requires Medicaid agencies to collect drug rebates for physician-administered drugs billed on professional and institutional claims.

- Providers are required to report NDC information when applicable on outpatient prescriptions and physician-administered drugs billed for Oregon Medicaid clients.
- DMAP is required to invoice drug manufacturers for these NDCs in order to obtain federal funding for them.

In accordance with the Affordable Care Act of 2010, DMAP will expand these requirements to prescriptions and physician-administered drugs billed to the OHP medical managed care organizations (MCOs), which serve over 80 percent of Oregon Medicaid clients.

DMAP has worked with the MCOs to develop processes to capture the necessary data elements from encounter claims for prescriptions and physician-administered drugs. In May 2011, DMAP will invoice for managed care prescriptions for dates of service Mar. 28, 2010, forward.

For more information about the Medicaid Drug Rebate Program, go to the CMS Web site at [www.cms.gov/MedicaidDrugRebateProgram/](http://www.cms.gov/MedicaidDrugRebateProgram/). You can also read about DMAP's fee-for-service requirements for NDC reporting at [www.oregon.gov/DHS/healthplan/data\\_pubs/faqs/ndc.shtml](http://www.oregon.gov/DHS/healthplan/data_pubs/faqs/ndc.shtml).

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**Does DMAP have all the information needed to invoice for MCO drug rebates?**

Yes.

**For what dates of service will DMAP invoice for pharmacy claims and physician administered drugs submitted through MCO encounter data?**

DMAP is collecting encounter claim data for pharmacy claims from March 23, 2010, forward, and data for physician-administered drugs for the year 2011 forward.

**How many MCOs does Oregon have and what are their names?**

See the OHP Managed Care page at [www.oregon.gov/DHS/healthplan/managed-care/main.shtml](http://www.oregon.gov/DHS/healthplan/managed-care/main.shtml) for lists of currently contracted managed care plans (click “Contact Information”).

Oregon has 14 Fully-Capitated Health Plans (FCHPs) and one Physician Care Organization (PCO) that provide medical managed care to Medicaid clients.

**How many Medicaid enrollees are in each plan? How many are not enrolled in managed care?**

For monthly reports on the number of clients enrolled in each managed care plan, see DMAP's enrollment reports at [www.oregon.gov/DHS/healthplan/data\\_pubs/enrollment/main.shtml](http://www.oregon.gov/DHS/healthplan/data_pubs/enrollment/main.shtml).

- The FCHIP/FFS/PCCM reports tell you, by county and plan, the number of clients who receive medical services through an FCHIP, PCO, or Primary Care Case Manager (PCCM).
- They also list the number of clients in each county who are not enrolled with an FCHIP/PCO/PCCM and receive medical services on a fee-for-service basis (see the “FFS” column of each report).

**Which plans are "carved out" from the claims included in the traditional quarterly rebate invoice to drug manufacturers? To what percent are they "carved out"?**

All medical managed care plans (FCHPs and PCO) that bill pharmacy claims will have their claims included in the quarterly rebate invoice.

**Will all plans be included on the first quarterly invoice in May 2011? Or could the number of plans on each quarterly invoice be staggered?**

In May 2011, manufacturers will receive an additional invoice to include retroactive rebate collection for all MCO prescriptions for dates of service from March 23, 2010, through December 31, 2010.

**How will drug manufacturers receive the invoice(s)?**

For CMS Federal Rebates, drug manufacturers will receive one invoice for FFS rebates and another invoice for MCO rebates.

For Supplemental Rebates, drug manufacturers who have a Supplemental Rebate Agreement with DMAP will receive one invoice for FFS supplemental rebates and another invoice for MCO supplemental rebates.

For more information about Supplemental Rebate Agreements with DMAP, refer to the DMAP Supplemental Rebate Page at [www.oregon.gov/DHS/healthplan/supp-rebate/main.shtml](http://www.oregon.gov/DHS/healthplan/supp-rebate/main.shtml).