

# 4Q 2011 Invoice Insert

## **Pharmacy Reimbursement: Average Wholesale Price (AWP) Reporting**

On June 28, 2011, Governor Edmund G. Brown Jr. signed Assembly Bill 102 (Chapter 29, Statutes of 2011), the Health Trailer Bill, which provided authority to DHCS to establish a process with the primary price reference source vendor to temporarily report the AWP consistent with the definition of AWP in California *Welfare and Institutions Code* (W&I Code) Section 14105.45.

First Databank (FDB) was the Department of Health Care Services' (DHCS) primary price reference source vendor. FDB ceased publishing Average Wholesale Price (AWP) in its National Drug Data File (NDDF) on September 28, 2011.

The process to establish the continued reporting of AWP shall continue until the new Average Acquisition Cost (AAC) reimbursement methodology is fully implemented by DHCS. An alternate AWP reporting process was not established prior to September 28, 2011; consequently, pharmacy reimbursements have been based on the most recent pricing data available in the claims processing system. Pharmacy claims submitted for reimbursement for dates of service when AWP price updates are not reported by FDB may be subject to Erroneous Payment Correction when the AWP price update reporting is re-established.

**It is possible that the State Supplemental Rebate (SSR) values on your supplemental invoices are incorrect.** Labelers are required to calculate the SSR and pay rebates according to their contract. It is required that the Reconciliation of State Invoice (ROSI) is completed and the appropriate adjustment code entered in the space provided. The SSR values will be corrected once the pricing issues have been resolved. At that point, your invoices should be correct and match your company's prior payments.

## **Electronic Interface System (EIS)**

EIS allows subscribing manufacturers to retrieve their paid claims used to create an invoice. **The program is free.** For additional information about the program, see the Drug Rebate Newsletter dated December 9, 2008. To subscribe to this service you must download the Drug Rebate Internet Subscriber Form from the Medi-Cal website at <http://www.medi-cal.ca.gov/signup.asp>. Due to a reduction in State resources, rebate analysts will no longer be able to provide claims level information. For such requests, labelers will be directed to use the online feature.

For those already signed up, there has been an issue opening claims obtained from the EIS system using WinZip. This is an issue with Internet Explorer 8 and WinZip combination. When you double-click on the link and try to download the file, Internet Explorer automatically changes the file extension from ".gz" to ".zip" and WinZip does not recognize the ".zip" extension as a valid archive file. This issue does not arise in other browsers and some other zipping utilities do recognize the ".zip" extension as a valid archive file. Therefore, while using Internet Explorer please follow the instructions below to save the file so that it can be recognized by WinZip as a valid archive file.

1. Right-click on the link
2. From the file menu, select "Save Target As"
3. In the "Save As" dialog box, change the ".zip" extension to ".gz "
4. Save the file.

**OR**

Save the file with the ".zip" extension and then rename the file removing the ".zip" extension and replacing with the ".gz" extension.

## **Electronic Payment Option**

The Electronic Fund Transfer (EFT) payment option permits registered users to pay quarterly Medi-Cal drug utilization invoices electronically without having to submit traditional paper checks. This voluntary option requires participants to adhere to a specific format when submitting electronic data. To sign up for this payment option, go to our website (link below) and complete and return the application.

## **Drug Rebate Website**

We've updated and expanded the Drug Rebate Branch website. It contains newsletters, links, contact information and much more. You can access the website at: <http://www.dhcs.ca.gov/provgovpart/Pages/DrugRebateBranch.aspx>