DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, Maryland 21244-1850

CENTER FOR BENEFICIARY CHOICES

MEMORANDUM

Date: January 23, 2007

To: All Part D Sponsors

From: Cynthia Tudor, Ph.D., Director, Medicare Drug Benefit Group

Subject: January Update of the Formulary Reference NDC File for CY 2007 Formulary Submissions

The Formulary Reference NDC File (FRF) has been updated to include additional Part D covered drugs and to remove obsolete or excluded drugs based in part on industry feedback. This file has also been updated to include a route of administration field to provide additional drug detail. Attached are two files that relate to this update: 1) the Formulary Reference File with the cumulative list of drugs and 2) the Formulary Reference File Change Report containing a list of drug record changes since the last Reference File posting on September 15, 2006. Please note that the Formulary Reference File is not intended to be a comprehensive listing of Part D covered drugs and it is ultimately the responsibility of the organizations to determine coverage of drugs that do or do not appear on this file (Part D or otherwise).

The types of changes found in the current version of the Change Report are as follows:

- Addition- Identifies a new record on the Formulary Reference NDC File. This record may represent a new drug (brand or generic) or other Part D covered drug not present in a previous version of the file.
- Deletion: - Identifies a record that has been removed from the Formulary Reference NDC File. This record may represent a discontinued, withdrawn, excluded or otherwise non-Part D covered drug.
- Field Change - Identifies a record on the Formulary Reference NDC File with a modification in one of the following fields: Brand Name, Generic Name, Dosage Form or Strength. The Proxy NDC code for this modified record will remain unchanged. The original record will be removed from the Formulary Reference NDC File and will be identified by "Deletion-FC" in the Change Report
- Deletion-FC - Identifies a record that has been removed from the Formulary Reference NDC File due to a Field Change. The Proxy NDC code for this record will remain on the Formulary Reference NDC File, however the Proxy code will be associated with the record containing the modified fields (see Field Change).

The deletions from this version of the Formulary Reference File generally concern the removal of:

- Products no longer on the market (e.g. HIVID®, Flovent Rotadisk®, Compazine®)
- Non-Part D covered drugs
    - recently confirmed DESI LTE drugs (e.g. castor oil/peruvian balsam/trypsin products, hydrocortisone acetate/pramoxine hydrochloride products, and guaifenesin with antihistamine products)
    - recently confirmed unapproved marketed drugs (e.g. quinine sulfate, Bucalsep, guaifenesin extended release tablets and guaifenesin/pseudoephedrine 600mg/60mg and 1200/120mg extended release tablets)
    - OTCs (e.g. Zaditor®, Allerscript, Vagistat-1®)

The two Formulary Reference File attachments accompanying this notice will be available for download within the Formulary Module in HPMS and on the following page: (http://cms.hhs.gov/PrescriptionDrugCovContra/03_RxContracting_FormularyGuidance.asp). For your convenience, an updated NDC Crosswalk File will also be available for download within the HPMS Formulary Module. This file provides a sample list of NDCs that can be linked to the Proxy NDC Codes. These linked NDCs are intended to be used only as a guide for drug identification and should not be used to create the formulary files submitted in HPMS.

Any questions regarding the Formulary Reference NDC File should be directed to Judy Geisler (judith.geisler@cms.hhs.gov) or Kady Flannery (kathleen.flannery@cms.hhs.gov).