

U.S. House and Senate Notification
Thursday, April 22, 2010

To: Congressional Health Staff

From: Amy Hall
Director, Office of Legislation
Centers for Medicare & Medicaid Services

Re: CMS Issues State Medicaid Director Letter on Changes Made to the Medicaid Drug Rebate Program by the Affordable Care Act and HCERA

Today, the Centers for Medicare & Medicaid Services (CMS) released the second letter to State Medicaid Directors in a series intended to provide guidance on the health reform legislation, the Patient Protection and Affordable Care Act (the Affordable Care Act) and the Health Care and Education Reconciliation Act of 2010 (HCERA). This letter provides information on section 2501 of the Affordable Care Act and section 1206 of HCERA, concerning the increased Medicaid prescription drug rebate percentages for covered outpatient drugs dispensed to Medicaid patients and the rebate offset associated with the increase in the rebate percentages. The letter also discusses the extension of prescription drug rebates to covered outpatient drugs dispensed to enrollees of Medicaid managed care organizations (MCOs). The letter can be viewed at https://www.cms.gov/SMDL/01_overview.asp#TopOfPage

We hope you will find this information helpful. If you have any questions, please contact the CMS Office of Legislation. Thank you.