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Texas Medicaid Reporting Requirements

By: Jessica Ebert, CIS Compliance Associate

Have you received a request from the Texas Vendor Drug Program (VDP) that looks something like this? "Please send us current net pricing after all charge backs, discounts and rebates to wholesalers/distributors or pharmacies are applied, other than commercially reasonable prompt pay discounts for this product, and any other products under your label that may have had a recent price change. If possible, please attach to an e-mail, with reply to all."

If you have products listed in the Texas Drug Code Index (TDCI) for Medicaid, chances are you've seen this before. You are responsible for keeping the Texas VDP notified of any price changes, NDC changes, and terminated products within 15 days of the change. As you know, it's important that you report information that accurately reflects the market prices paid within the class of trade for which pricing information is requested. For products that are already listed in the TDCI, Average Manufacturer Price (AMP) reporting is required every quarter, and can be sent by either a text email or on a disk to Jerry.Rodriguez@hsc.state.tx.us.

If you want to add a new or reformulated product to the TDCI, you must apply for the addition by completing the questionnaire provided by the Texas Health and Human Services Commission. The questionnaire is only to be used for new and reformulated products. If you have a valid rebate agreement under the Social Security Act §1927 you can apply for the addition of a drug that is not currently listed in the Texas Drug Code Index (TDCI). The form must be completed in full and requests the following:

1. Full drug description, including dosage form, maximum and recommended daily dose, ingredients, shelf life, estimated average and maximum duration of therapy, orange book rating, etc.
2. Specific pricing information, including Average Wholesale Price to pharmacy (AWP), AMP, price to wholesaler and/or distributor, direct price to pharmacy, central purchase price to chain (such as warehouse price), and institutional or other contract price. You may also provide a range of prices if you do not sell at a single price and wish to disclose only the lowest and highest prices. Be sure that you do not leave any pricing areas blank, as this will be interpreted that you DO NOT sell the product to entities in that category.
3. Companies to whom pricing information is reported (e.g., Red Book, Medi-Span)
4. Attach a listing of distributors, re-packagers, or re-labelers, other than full-service drug wholesalers, that you sell your product to who in turn sell your product to retail trade under your NDC number.
5. Attach a copy of your Vendor Liability Insurance, unless you have previously submitted it.
6. List the date that your drug is available through wholesalers.
7. The name and address of the firm, manufacturer, and government affairs persons covering the Texas area (if applicable).
8. Submit a copy of the FDA letter of approval of the NDA or ANDA for your product. If not applicable, submit a copy of the FDA letter for approval for marketing.

9. Indicate the DESI classification of the product.

You may only submit 20 questionnaires per month, and each drug and strength must be submitted on a separate questionnaire. In addition, the questionnaire(s) must be accompanied by a cover sheet that lists all products, strengths, and package sizes. For reformulated products where the NDC number has been changed, the cover sheet must also state that the product has been reformulated, and list the old NDC number and the last lot expiration date.

If an NDC number for a product has changed without a reformulation, you do not need to complete a new questionnaire. However, you must submit the information on your company's letterhead with the old NDC number (with last lot expiration date listed), the new NDC number (when available in the marketplace) and the current net pricing for that product. This also applies to terminated products; you must submit the NDC number and the last lot expiration date on your company letterhead.

Questionnaires should be sent to:

HHSC

Attn: VDP/Formulary H630

11209 Metric Blvd, Bldg H

Austin, TX 78758

After the questionnaire has been submitted, it will be reviewed and evaluated by the Commission. The Commission determines if there is a need for the product on the TDCI, as well as a need for appropriate restrictions.

Some of the key factors that the Commission looks at when reviewing applications are the:

1. "Expansion of the prescriber's armamentarium by a new drug or an additional multisource drug
2. Predominant use of the drug in an outpatient setting
3. Cost of the drug to pharmacies compared to the wholesale estimated acquisition cost (WEAC), or direct estimated acquisition costs (DEAC) listed in Redbook", the AMP, or other generically equivalent products

The Commission may deny a request if the product is included in certain classes including, but not limited to, fertility drugs, immunizing agents, amphetamine used for weight loss, cosmetics and experimental drugs. If your product is denied, you can seek reconsideration by the Commission. If after the second submission the product is still denied, you will have to wait six months until you can resubmit again.

All inquiries regarding the questionnaire and revisions are to be directed to:

Vendor Drug Program-FormularyMC: H630

Health & Human Services Commission

PO Box 85200

Austin, Texas 78708-5200

Vendor Drug Program-Formulary MC: H630
Health & Human Services Commission
11209 Metric Blvd, Bldg H
Austin, Texas 78758

Sources:

Health and Human Services Commission, Chapter 35. Pharmacy Services, Subchapter H. Texas Drug Code Index – Addition, Retention, and Deletion of Drugs
<http://www.hhsc.state.tx.us/hcf/vdp/RULES042408.pdf>

Texas Health and Human Services Commission Questionnaire
<http://www.hhsc.state.tx.us/contract/52904324/RFPDocs/AppK.pdf>