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- **Rebates are Governed by Title 42** – The public health and Welfare, chapter 7 – Social Security, Subchapter XIX – Grants to States for Medical Assistance programs Sec.1396r-8.
- **NH participates in the Federal Drug Rebate Program.** Regular CMS rebates is collected from all participating drug manufacturers signed up through CMS. For a drug to be covered the manufacturer must participate in the Federal Drug Rebate program.
- **NH Receives Supplemental Rebates:** Beginning SFY 2005 NH became part of National Medicaid Pooling Initiative (NMPI). The NMPI allowed NH's Pharmacy Benefit Manager (PBM) to negotiate an added discount or drug rebate (Supplemental) for all drugs included on NH's Preferred Drug List (PDL). This is an added rebate in addition to the Federal Drug Rebate Program.
- **SFY 16 PDL change effective 10/1/15.** No longer to receive Supplemental Rebates based on MCO Utilization. There was a Prior Authorization grace period of 90 days where MCO allowed for utilization based on DHHS PDL.
- Rebates are based on the number of units sold of a specific drug.
- States have 60 days after close of a quarter to send out invoices to manufacturers. The manufacturers have 38 days to pay the invoice.
- Within 98 days after a quarter ends the rebates are billed and a majority of them are collected. The 98-day period overlaps two months and if it is the 3rd billing quarter it overlaps two fiscal years

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	SFY14	SFY15	SFY16	SFY17 Projected	SFY18 Gov	SFY19 Gov
CMS Reg	\$23,300,586	\$27,210,771	\$27,836,604	\$21,340,057	\$14,325,000	\$14,325,000
Supplemental	\$3,128,852	\$7,205,207	\$1,644,080	\$299,740	\$675,000	\$675,000
Total	<u>\$26,429,438</u>	<u>\$34,415,978</u>	<u>\$29,480,684</u>	<u>\$21,639,798</u>	<u>\$15,000,000</u>	<u>\$15,000,000</u>
SFY 17 Rx Rebate						
				Surplus	<u>\$12,194,851</u>	

- SFY16/17 Budget: management of the Preferred Drug list shifted from DHHS to MCO's. The assumption with the MCO Management was that there would be a shift in utilization to more generic drugs that would have a lower rebate amount and a loss of the ability to collect Supplemental Rebates on MCO Utilization
- SFY16 Rebate \$3.5M of a one time catch-up related to SFY 14 invoices
- **SFY18/19 Budget Assumptions.** Lessening of Hepatitis C criteria, from Fibrosis score 3 to Fibrosis score 0 allowed more clients access to medication along with other MCO Carve Out drugs, Hemophilia, Carbaglu and Ravicti will increase Supplemental Rebates.