



STATE OF DELAWARE
STATE COUNCIL FOR PERSONS WITH DISABILITIES
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MEMORANDUM

DATE: April 25, 2016

TO: Ms. Kimberly Xavier, DMMA
Planning, Policy and Quality Unit

FROM: DM-P/ARR
Daniese McMullin-Powell, Chairperson
State Council for Persons with Disabilities

RE: 19 DE Reg. 884 [DMMA Proposed Prescription Drug Supplemental Rebate Agreement Regulation (4/1/16)]

The State Council for Persons with Disabilities (SCPD) has reviewed the Department of Health and Social Services/Division of Medicaid and Medical Assistance's (DMMA's) proposal to amend its Medicaid State Plan in the context of its drug rebate agreement. The proposed regulation was published as 19 DE Reg. 884 in the April 1, 2016 issue of the Register of Regulations.

As background, drug manufacturers are required to offer rebates on drugs used in the Medicaid program. States may enter into separate or supplemental drug rebate agreements as long as they achieve drug rebates equal to or greater than the drug rebates contained in a national HHS rebate agreement. Delaware currently participates in a multi-state purchasing pool ("TOP\$") which generates rebates. However, DMMA proposes to discontinue participation in "TOP\$" and enroll in the "SSDC" pool based on the following rationale:

The administration of the TOP\$ Medicaid multi-state purchasing pool has (since) changed. This change has caused costs to increase, and made DMMA's ability to administer the drug rebate program more difficult. The Sovereign State Drug Consortium (SSDC) Medicaid multi-state purchasing pool provides states with more options and control when negotiating supplemental rebate rates, and allows for easier administration of the drug rebate program.

Enrollment in the new pool would be effective July 1, 2016. There would be no direct impact on Medicaid beneficiaries:

The agency's proposal involves no change in the definition of those eligible to receive pharmaceutical services, and the Medicaid prescribed drugs benefit available to eligible recipients remains the same. In addition, the agency's proposal involves no change to providers' current practices.

SCPD endorses the proposed regulation since the switch to a new pool is expected to provide increased flexibility and easier administration of the drug rebate program.

Thank you for your consideration and please contact SCPD if you have any questions or comments regarding our observations on the proposed regulation.

cc: Mr. Stephen Groff, DMMA
Mr. Brian Hartman, Esq.
Governor's Advisory Council for Exceptional Citizens
Developmental Disabilities Council

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