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To: van der Walde, Lambert B. (CMS/OEA)
Subject: CMS announces Anticipated Medicaid AMP/FUL Implementation Timeline: Late 2007
CMS announces Anticipated Medicaid AMP/FUL Implementation Timeline

With the publication of the final rule to implement the pharmacy provisions of the Deficit Reduction Act of 2005 expected soon, CMS is receiving a growing number of questions about the timeline for implementation. Following the release of the final regulation, a number of steps will have to be taken to implement the new Federal Upper Limit (FUL) for Medicaid multi-source prescription drug reimbursements. As a result, retail pharmacies can anticipate that Medicaid generic reimbursement will not be subject to a new DRA-based FUL until the end of 2007. The anticipated Average Manufacturer Price/Federal Upper Limits Timeline is below.

-Lambert

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Anticipated AMP/ FULs Timeline*

July 2, 2007

Final regulation published; 60 day delayed effective date starts

September 1, 2007

Regulation becomes effective

September 1-30, 2007

First monthly AMP reporting period under new regulation

October 30, 2007

Manufacturers report September 2007 AMPs

November 30, 2007

FULs published based on new September AMPs; Manufacturers report October AMPs;

December 30, 2007

FULs based on September AMP takes effect after 30 day period for States to implement;
Manufacturers report November AMPs; FULs published based on October AMPs

October 1- December 30, 2007

First Quarterly AMP reporting period under new regulation

January 30, 2008

Manufacturers report October-December 2007 AMPs; Manufacturers report December AMPs;
October FULs take effect

* Assumes July 2, 2007 publication of DRA Final Rule