

INDUSTRY UPDATE

One of the topics in MDRP Manufacturing Release No. 80 clarified questions on the Postmark Date to use for Web Invoices as follows:

'Recently, we have received questions from States that have decided to use a secured web site as the method of providing manufacturers their quarterly rebate invoices as to what constitutes a postmark date. Under section II(b) of the Medicaid Drug Rebate Agreement, it is stated that "the Manufacturer is responsible for timely payment of the rebate within 30 days of receiving, at minimum, information on the number of units paid, by NDC." Therefore, we expect that when using electronic invoicing via e-mail, States include the invoice itself within the body of the e-mail to a manufacturer or, at minimum, information on the number of units paid by NDC. In this case, we view the postmark data as the date on which the e-mail is sent. Please note that the date an e-mail is sent with a link to an invoice web site does not qualify as a postmark date. If States choose to direct manufacturers to an invoice web site via a link in the e-mail, then States need to include the invoice itself within the body of the e-mail to a manufacturer or, at minimum, information on the number of units by NDC.

I had additional questions and e-mailed CMS for further clarification as follows:

- **Question:** How will interest be handled for web invoices? **CMS Response:** The manufacturer is responsible for timely payment of the rebate within 30 days of receiving the invoice whether by web invoice or hard copies via mail. However, interest will not start accruing until 38 days after postmark regardless of how it is submitted.
- **Question:** When the states submit via web and only include information on the 'number of units paid' this could delay processing since the other data assists with determining if units should be disputed. **CMS Response:** The 'information of units paid' is the upfront information States need to provide, at a minimum, when using electronic invoicing via e-mail to meet the requirement under the Medicaid Drug Rebate Agreement. It is up to the States to determine if they want to provide the other information in the e-mail, by hard copies, or at the secure website where manufacturers can download this information.
- **Question:** Will all states eventually be required to submit invoices via the web? Will this eventually include prior period adjustments? **CMS Response:** Web invoicing is a State option, not a requirement from CMS. The manufacturer will need to contact the individual State to determine if that State requires web invoicing and to get additional details.

