

CHANGE IN DRUG COVERAGE STATUS/DESI CODE CHANGE

Labelers provided a DESI Code 2 (safe and effective) on the following drugs, although the FDA has determined that to be incorrect. Please be aware that these drugs will no longer be eligible for Federal financial participation or rebate billing beyond December 31, 2006. If your system can process an immediate change, please do so. The 4th quarter, 2006 CMS tape to states will reflect the DESI Code 5 or 6 status.

The DESI Codes for the following NDCs have been changed to DESI Code 5 (less than effective):

NOOH published July 1, 1998 (53 FR 25013)

Ferndale Laboratories, Inc., 00496-778-04 and 64, Analpram HC Cream 1%

DESI 7661 NOOH published April 14, 2003 (68 FR 17953)

Lannett Company, Inc., 00527-1409-01, Methyltestosterone and Esterified Estrogen

Lannett Company, Inc., 00527-1410-01 and 10, Methyltestosterone and Esterified Estrogen

DESI 10110 February 12, 1972 (37 FR 3202)

Major Pharmaceuticals, 00904-3678-22, Balsa-Derm Spray

Major Pharmaceuticals, 00904-5157-22, Granul Aerosol

Onset Therapeutics, 16781-0116-95, Optase

Delta Pharmaceuticals, Inc., 53706-1001-01 and 02, TBC

Healthpoint, LTD., 00064-3900-30 and 60, Xenaderm Rx

The DESI Codes for the following NDCs have been changed to DESI Code 6 (less than effective-drug withdrawn from market):

DESI 10110 February 12, 1972 (37 FR 3202)

Qualitest Pharmaceuticals, Inc., 00603-1270-54, Granul Derm Aero

Mylan Bertex Pharmaceuticals, Inc., 62794-0002-50 and 51, Granulex Topical Spray

NEW LABELERS

| | Mandatory Coverage | Optional Coverage |
|---------------------------------------|---------------------------|--------------------------|
| KVK-Tech, Inc., 10702 | 01/01/2007 | 10/10/2006 |
| OTN Generics, Inc., 15210 | 01/01/2007 | 09/02/2006 |
| Azur Pharma, Inc., 18860 | 01/01/2007 | 10/10/2006 |
| Provident Pharmaceutical, Inc., 20091 | 04/01/2007 | 11/14/2006 |
| Heritage Pharmaceuticals, Inc., 23155 | 04/01/2007 | 11/09/2006 |
| Idenix Pharmaceuticals, 24108 | 04/01/2007 | 11/03/2006 |
| Jazz Pharmaceuticals, Inc., 68727 | 07/01/2006 | 07/01/2006 |
| Stat-Trade, Inc., 68850 | 01/01/2007 | 10/25/2006 |

Contact information for labelers is attached for your convenience.