

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S3-13-15
Baltimore, Maryland 21244-1850



Center for Medicaid and State Operations

April 8, 2010

TO: Medicaid Drug Rebate State Technical Contacts

FROM: CMS, Medicaid Drug Rebate Operations

SUBJECT: **NOTIFICATION OF CHANGES IN DESI CODE**

The following products were reported by the labeler with a DESI code of 2 (i.e., rebate-eligible); however, the FDA has determined that the drugs are subject to a Federal Register notice dated April 20, 1999 (64 FR 19374) which proposed to withdraw approval of certain New Drug Applications and Abbreviated New Drug Applications for controlled-release nitroglycerin tablets and capsules. Therefore, the appropriate DESI code for each of these products is a code of 5 (i.e., less-than-effective/IRS drug for all indications):

00603-4782	NITROGLYCERIN CAP
49483-0221	NITRO-TIME 2.5MG
49483-0222	NITRO-TIME 6.5MG
49483-0223	NITRO-TIME 9MG

As a result, these drugs are no longer eligible for coverage under the Medicaid Drug Rebate Program. **Consequently, as of the date of this notice, you should update the DESI code of each of these NDCs in your Medicaid Drug Rebate systems.** The labelers of these products are responsible for paying rebates on any of these NDCs that were dispensed on or prior to the date of this notice. In addition, please note that CMS' second quarter 2010 tape to states will be the last quarterly tape that will include these NDCs with a DESI code of 2 in order to facilitate rebate billing for any utilization that occurred in good faith on or prior to the date of this notice. Beginning with the third quarter 2010 tape, the updated DESI code status will be reflected.

cc: First Data Bank
MediSpan