



The Monitor

The Inside Source on the Public Health Service 340B Drug Discount Program

August 22, 2008

BREAKING NEWS ALERT

SNHPA and Nevada Public Hospital Sues Government to Halt National Drug Code Reporting Requirement

Safety Net Hospitals for Pharmaceutical Access (SNHPA) and the University Medical Center of Southern Nevada (UMCSN) have asked a federal judge to bar the government from forcing hospitals to collect national drug code identifiers (NDCs) for drugs administered in clinic settings.

In a complaint filed August 21st in federal district court for the District of Columbia, the advocacy group and Las Vegas hospital argue that the federal reporting rule, which took effect July 1st, is contrary to federal law, costly, and burdensome. The U.S. Department of Health and Human Services (HHS) and the Centers for Medicare and Medicaid Services (CMS) were named as the defendants.

The plaintiffs are seeking confirmation from the court that hospital physician-administered drugs are exempt from Medicaid rebates and thus that hospitals are exempt from the NDC reporting requirements. In addition, they seek a permanent injunction prohibiting the federal government from requiring and encouraging state Medicaid agencies to collect NDC information.

Naming the U.S. Department of Health and Human Services and the Centers for Medicare and Medicaid Services (CMS) as defendants, the plaintiffs charge that CMS has ignored or misinterpreted a provision of Medicaid law that exempts hospitals from the new reporting requirement. The new regulation was intended to require doctors to submit national drug code identifiers (NDCs) to the Medicaid program so that Medicaid could begin to obtain rebates from drug manufacturers for products that are administered in doctors' offices. These drugs would include infusion products and injectibles such as cancer drugs that cannot be administered by patients themselves. Many of the treatments are liquid products and compounds of various drugs that do not lend themselves easily to the reporting demanded by CMS.

To see SNHPA's news release, go to http://www.safetynetrx.org/public/documents/news_release_8_21_08.cfm. More details will be available in the September issue of *The Monitor*.