



# New Mexico Human Services Department

Bill Richardson, Governor  
Pamela S. Hyde, J.D., Secretary

Medical Assistance Division  
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Santa Fe, NM 87504-2348  
505-827-3102

November 9, 2007

Dear Pharmaceutical Manufacturers:

On July 16, 2007, the Human Services Department Medical Assistance Division (MAD) issued a letter revising the data to be reported under the Reporting Prescription Drug Information Act, HB666, as passed in the 2003 Regular Session of the New Mexico State Legislature, requiring every drug manufacturer that sells drugs in the state of New Mexico to file pricing information with MAD.

Essentially the Act requires the following: "A person who manufactures a prescription drug, including a generic prescription drug, that is sold in New Mexico shall file with the human services department: (1) the average manufacturer price for the drug; (2) the price that each wholesaler or pharmacy benefit manager doing business in this state pays the manufacturer to purchase the drug; and (3) the price paid to the manufacturer by any entity in an arrangement or contract that sells or provides prescription drugs in New Mexico without the services of a wholesaler." The Act goes on to further define the requirements.

Because MAD received numerous comments on the hardship the reporting modifications are causing manufacturers who are currently facing a federal deadline for reporting the Average Manufacturer's Price (AMP), MAD is delaying the reporting deadline for 2007. Additional time is also being allowed for programming associated with new format changes.

- **The reporting due date for 2007 data will be April 15, 2008.**
- **The reporting due date for subsequent years will be January 15<sup>th</sup> of the year following the reporting period.**
- **The reporting period for 2007 and subsequent years will be July 1<sup>st</sup> through September 30<sup>th</sup>. Refer to the instructions for further information.**

MAD is also utilizing this opportunity to clarify the instructions in response to questions posed by the manufacturers and wholesalers. These clarifications are found in the attached "Prescription Drug Reporting Instructions". The data format is also being changed. Please refer to the file layout in the attached documents.

Should you have any questions, please contact Julie McKeay at (505) 827-6202.

Sincerely,

Carolyn Ingram, Director

## **Prescription Drug Reporting Instructions**

This document describes replaces the letter issued July 16<sup>th</sup>, 2007.

- **Reporting Period** - Manufacturers must submit the required data annually based on the prices in effect for of July 1<sup>st</sup> through September 30<sup>th</sup> of the year (the “Reporting Period”). The data is to be reported annually but only for this quarter. (Statute § 27-2E-1 B)
- **Reporting Format** - The revised reporting format found below. For each data element requested, if the manufacturer has multiple prices during the period, the manufacturer must report the lowest price during that period. If the manufacturer does not have a price that meets the relevant criterion for the requested data element, the manufacturer or wholesaler should report the default value of zero (0) in the data field.
- **AMP:** Manufacturers should report the AMP specifically for New Mexico if that data is accessible. Otherwise, they may report the federal AMP as reported to CMS for the Reporting Period. If customary prompt pay discounts are not included in the federal AMP reported to CMS, the manufacturer shall separately report the customary prompt payment percentage (if any) included in the manufacturer’s contracts with wholesalers that buy directly from the manufacturer. (Statute § 27-2E-1 A1, D)
- **Lowest Prices**
  - **Wholesaler Acquisition Cost:** Manufacturers must report the lowest price paid to the manufacturer during the Reporting Period by a wholesaler physically located in New Mexico. If there are no sales to wholesalers physically located in New Mexico during the reporting period, the manufacturer must report the default value in the data field. (Statute § 27-2E-1 A2)
  - **Price to PBMs:** Manufacturers must report the lowest price paid to the manufacturer during the Reporting Period by a PBM that physically takes possession of the product in New Mexico. If there are no such sales of product in New Mexico during the reporting period, the manufacturer must report the default value in the data field. (Statute § 27-2E-1 A2)
- **Manufacturers Direct Cost:** Manufacturers should report the lowest price paid to the manufacturer during the Reporting Period by an entity physically located in New Mexico that purchases directly from the manufacturer without the use of a wholesaler. If there are no such sales to an entity physically located in New Mexico during the reporting period, the manufacturer must report the default value in the data field. (Statute § 27-2E-1 A3).

The Reporting Prescription Drug Information Act (HB 666) statute is as follows:

### **§27-2E-1. Average manufacturer price; filing; reporting.**

- A. A person who manufactures a prescription drug, including a generic prescription drug, that is sold in New Mexico shall file with the human services department:
- (1) the average manufacturer price for the drug;
  - (2) the price that each wholesaler or pharmacy benefit manager doing business in this state pays the manufacturer to purchase the drug; and
  - (3) the price paid to the manufacturer by any entity in an arrangement or contract that sells or provides prescription drugs in New Mexico without the services of a wholesaler.
- B. The information required under Subsection A of this section shall be filed annually or more frequently, as determined by the human services department. The information required under Subsection A of this section is confidential and shall not be disclosed pursuant to Section 3 [27-2E-3

NMSA 1978] of this act and shall not be subject to public inspection pursuant to the provisions of Section 14-2-1 NMSA 1978.

C. A person who engages in the wholesale distribution of prescription drugs in New Mexico shall file with the human services department information showing the actual price at which the wholesaler or distributor sells a particular drug to a pharmacy.

D. As used in this section, "average manufacturer price" means the average price paid to the manufacturer for the drug in New Mexico, including rebates, discounts and market incentives, after deducting customary prompt-pay discounts.

**THE REPORTING PRESCRIPTION DRUG INFORMATION ACT HB666  
SCHEDULE AND FILE LAYOUT  
NOVEMBER 2007 REVISION**

Drug Price Information File Layout: Comma Delimited Text Format

| <u>Column Name</u>        | <u>Field Description</u>               | <u>Default Value</u>                             | <u>Type</u>    | <u>Size</u> | <u>Comment</u>   |
|---------------------------|--|--|----------------|-------------|--|
| d_drug_source_cd          | Labeler Code                           | <b>Required</b><br>First five digits of NDC code | Text           | 5           | Include leading zeros.   |
| d_cal_yr                  | Calendar Year for which Report is made | <b>Required</b>                                  | Numeric (yyyy) | 4           | No slashes<br>Always report July 1-September 30 of the calendar year for which report is made  |
| r_drug_cd                 | NDC                                    | <b>Required</b>                                  | Text           | 11          | National Drug Code<br><b>No dashes</b>   |
| d_amp_price               | Average Manufacturer's Price           | Zero   | Numeric        | *           | Manufacturers may report an AMP for New Mexico if data is available. Otherwise, may report the federal AMP as reported to CMS for the Reporting Period. Do not include 340b pricing. The price is reported per 11-digit NDC unit, as defined in the federal AMP.   |
| d_cust_prompt_pay_percent | Prompt Pay                             | Zero   | Numeric        | *           | If customary prompt pay discounts are not included in the federal AMP reported to CMS, the manufacturer shall separately report the customary prompt payment percentage included in the manufacturer's contracts with the wholesaler that buys directly from the manufacturer. Complete only if reported AMP does not include prompt pay discounts.<br><br>Report percentage which should include a decimal point and two decimal places with no "%" sign. |
| d_wac_price               | Wholesaler Acquisition Cost            | Zero   | Numeric        | *           | Manufacturers should report the lowest price paid to the manufacturer during the Reporting Period by a wholesaler physically located in NM. If there are no sales to wholesalers physically located in NM during the reporting period, the manufacturer should leave the default value in the data field.  |
| d_PBM_price               | Lowest Price to PBM                    | Zero   | Numeric        | *           | Manufacturers should report the lowest price paid to the manufacturer during the Reporting Period by a PBM that physically takes possession of the product in NM. If there are no such sales of product in NM during the reporting period, the manufacturer should leave the default value in the data field.  |
| d_direct_cost             | Manufacturers Direct cost              | Zero   | Numeric        | *           | Manufacturers should report the price paid to the manufacturer during the reporting period by entities physically located in New Mexico that purchases directly from the manufacturer without the use of another wholesaler  |

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|  |  |  | *All prices should contain a decimal point and six (6) decimal places. <b>No dollar sign or commas</b> |
|--|--|--|--|

**Submission Information and Contacts for Reporting Prescription Drug Information**

**Contact for reports and data file(s) submission:**

Julie McKeay  
Phone: 505 827-6202  
Email: Julie.McKeay@state.nm.us

**US Postal Service** to address:

State of New Mexico Human Services Department  
Attention: Julie McKeay  
Medical Assistance Division  
P.O. Box 2348  
Santa Fe, New Mexico, 87504-2348

Physical address for **direct deliveries only**, such as UPS, Fed Ex, etc. (Use the PO Box above when you utilize US Postal Service)  
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