

REPORT HIGHLIGHTS



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Pennsylvania Correctly Invoiced Rebates to Manufacturers for Most Physician-Administered Drugs Dispensed to Enrollees of Medicaid Managed-Care Organizations

Why OIG Did This Audit

- For a covered outpatient drug to be eligible for Federal reimbursement under the Medicaid program's drug rebate requirements, manufacturers must pay rebates to the States for the drugs.
- Prior OIG audits found that States did not always invoice and collect all rebates due for drugs administered to Medicaid managed-care organization (MCO) enrollees.
- This audit, one of a series, determined whether Pennsylvania complied with Federal Medicaid requirements for invoicing manufacturers for rebates for physician-administered drugs dispensed to MCO enrollees.

What OIG Found

- Pennsylvania generally complied with applicable Federal Medicaid requirements but did not invoice all rebate eligible physician-administered drugs dispensed to MCO enrollees.
- Specifically, Pennsylvania did not invoice for rebates totaling \$488,051 (\$284,617 Federal share):

Drug Category	Amount Not Invoiced for Rebate	Federal Share
Single-source (brand name) drugs	\$478,406	\$278,965
Top-20 (by dollar volume) multiple-source drugs	\$9,645	\$5,652
Totals	\$488,051	\$284,617

What OIG Recommends

We made three recommendations to Pennsylvania, including that Pennsylvania invoice for and collect from manufacturers rebates totaling \$488,051 (\$284,617 Federal share) for single-source and top-20 multiple-source physician-administered drugs and refund the Federal share of rebates collected. The full recommendations are in the report.

Pennsylvania agreed with all three recommendations.