



Provider Memorandum

Pharmaceutical Labelers with Signed Rebate Agreements

Providers are reminded that Drug Manufacturers must have a signed Medicaid Drug Rebate Agreement with the Centers for Medicare and Medicaid Services (CMS) in order to be reimbursed in the Illinois Medicaid programs. This provision is applicable not only for prescriptions and those drugs, including compounds, administered in a provider or hospital setting, but also for over-the-counter (OTC) drugs. Reimbursable drugs that have been registered under a brand or trade name by their manufacturer and are advertised and sold under that name will be indicated as a brand in the Medi-Span® national database which is used as the HFS National Drug Code (NDC) validation source.

To review the most current alpha and numeric lists for pharmaceutical labelers with signed Medicaid Drug Rebate Agreements that are on file with CMS, visit the following link:

Illinois HFS Approved Labeler Lists

<https://www.illinois.gov/hfs/MedicalProviders/Pharmacy/Pages/default.aspx>

The rebate program applies only to drugs as defined in the federal Food, Drug and Cosmetic Act. Covered non-drug items such as needles, syringes and diabetic testing supplies, may be dispensed whether or not the labeler has signed a rebate agreement with the federal government.

When preparing a claim, the provider must always use the correct eleven-digit National Drug Code (NDC) number of the product being dispensed.