



CENTER FOR BENEFICIARY CHOICES

MEMORANDUM

Date: July 28, 2006

To: All Part D Sponsors

From: Cynthia Tudor, Ph.D., Director, Medicare Drug Benefit Group

Subject: July Update of the Formulary Reference NDC File for CY 2007 Formulary Submissions

The Formulary Reference NDC File (FRF) has been updated to include additional part D covered drugs and to remove obsolete or excluded drugs based in part on industry feedback. Attached are two files that relate to this update: 1) the Formulary Reference File with the cumulative list of drugs and 2) the Formulary Reference File Change Report containing a list of drug record changes since the last Reference File posting on March 27, 2006. The Change Report will include those drugs found in the Reference File Supplement posted April 12, 2006. Please note that the Formulary Reference File is not intended to be a comprehensive listing of Part D covered drugs and it is the responsibility of the organizations to determine coverage of drugs that do not appear on this file (Part D or otherwise).

The types of change found in the current version of the Change Report are as follows:

FRF CHANGE	Description
Addition	Identifies a new record on the Formulary Reference NDC File. This record may represent a new drug (brand or generic) or other Part D covered drug not present in a previous version of the file.
Deletion	Identifies a record that has been removed from the Formulary Reference NDC File. This record may represent a discontinued, withdrawn, excluded or otherwise non-Part D covered drug.
Field Change	Identifies a record on the Formulary Reference NDC File with a modification in one of the following fields: Brand Name, Generic Name, Dosage Form or Strength. The Proxy NDC code for this modified record will remain unchanged. The original record will be removed from the Formulary Reference NDC File and will be identified by "Deletion-FC" in the Change Report.
Deletion-FC	Identifies a record that has been removed from the Formulary Reference NDC File due to a Field Change. The Proxy NDC code for this record will remain on the Formulary Reference NDC File, however the Proxy code will be associated with the record containing the modified fields (see Field Change).

FRF CHANGE	Description
Reassigned Proxy	Identifies a new record on the Formulary Reference NDC File with a recycled Proxy NDC code. The Proxy NDC code for this record was originally associated with a different drug on the file, however has been reassigned by the manufacturer. The original record with a new or replacement Proxy NDC code will be identified by "New Proxy" in the Change Report.
New Proxy	Identifies a record on the Formulary Reference NDC File that has been assigned a replacement Proxy NDC code. The original Proxy NDC code for this record was changed by the manufacturer and reassigned to a different drug (see Reassigned Proxy). The original record will be removed from the Formulary Reference NDC File and identified by "Deletion-NP" in the Change Report.
Deletion-NP	Identifies a record that has been removed from the Formulary Reference NDC File due to a reassignment of the Proxy NDC code. The Proxy NDC code for this record will remain on the Formulary Reference NDC File however will be associated with a new drug (see Reassigned Proxy). The remaining four variables of this record (Brand Name, Generic Name, Dosage Form and Strength) will also remain on the Reference File however will have a new Proxy NDC code (see New Proxy).

The two Formulary Reference File attachments accompanying this notice will be available for download within the Formulary Module in HPMS and on the following page: (http://new.cms.hhs.gov/PrescriptionDrugCovContra/03_RxContracting_FormularyGuidance.asp). For your convenience, an updated NDC Crosswalk File will also be available for download within the HPMS Formulary Module. This file provides a sample list of NDCs that can be linked to the Proxy NDC Codes. These linked NDCs are intended to be used only as a guide for drug identification and should not be used to create the formulary files submitted in HPMS.

Any questions regarding the Formulary Reference NDC File should be directed to Aaron Eaton (aaron.eaton@cms.hhs.gov) or Kady Flannery (kathleen.flannery@cms.hhs.gov).