CMS Proposes Changes to Medicaid Drug Rebate Program



June 30, 2023

The Centers for Medicare & Medicaid Services (CMS) has proposed extensive changes to the Medicaid Drug Rebate Program. The changes primarily focus on drug misclassification, drug pricing, and product data misreporting by pharmaceutical manufacturers. Program integrity and administration changes affecting manufacturers would include limitations on the timeframe for manufacturers to initiate audits of state Medicaid plan drug rebate obligations, clarification on accumulating price concessions, and the establishment of drug price verification and transparency through data collection. CMS is aiming to enhance transparency in prescription drug costs by verifying reported prices through an annual Medicaid Drug Price Verification Survey. This transparency initiative and the disclosure of non-proprietary drug price information are intended to give state Medicaid agencies greater negotiating power with drug manufacturers, particularly for high-cost drugs.

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