

**Notice of Public Hearing**  
LSA Document #07-547

**Notice of Public Hearing**

Under [IC 4-22-2-24](#), notice is hereby given that on December 19, 2007, at 3:00 p.m., at the Indiana Government Center-South, 402 West Washington Street, Conference Center Room 6, Indianapolis, Indiana, the Office of the Secretary of Family and Social Services (FSSA) will hold a public hearing on a proposed rule that amends the Medicaid reimbursement methodology for legend drugs.

In accordance with public notice requirements established at [IC 4-22-2-24\(d\)](#) and 447.205, FSSA and the Office of Medicaid Policy and Planning (OMPP) publish this notice of proposed changes to methods and standards governing reimbursement policy for legend drugs. The proposed rule removes the federal maximum allowable cost (MAC) limiter from the determination of payment for legend drugs. Effective January 1, 2008, the federal government will implement MAC rates for multiple source drugs using average manufacturer price (AMP) data. Based on extensive analysis of the June 2007 AMP data provided by CMS and the final AMP rule published in the Federal Register by CMS on July 17, 2007 (See Federal Register, Volume 72, No. 136, July 17, 2007.), implementation of these AMP-based rates could adversely impact reimbursement levels and be inadequate to ensure provider participation and access to covered drugs for recipients. This change is expected to be budget neutral.

Anyone who wishes to comment on the proposed changes may attend the public hearing or submit written comments to: OMPP, Attention: Marc Shirley, 402 West Washington Street, Room W382, P.O. Box 7083, Indianapolis, IN 46204. Correspondence should be identified in the following manner: COMMENTS RE: LSA DOCUMENT #07-547 PROPOSED CHANGES TO DRUG REIMBURSEMENT. All written comments concerning the rule received by OMPP will be available for public inspection at the Office of Medicaid Policy and Planning, 402 West Washington Street, Room W382, Indianapolis, IN 46204. In addition, the agency's summary analysis is also available for review at the same location.

Copies of these rules are now on file at the Indiana Government Center-South, 402 West Washington Street, Room W451 and Legislative Services Agency, One North Capitol, Suite 325, Indianapolis, Indiana and are open for public inspection.

E. Mitchell Roob Jr.  
Secretary  
Family and Social Services

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