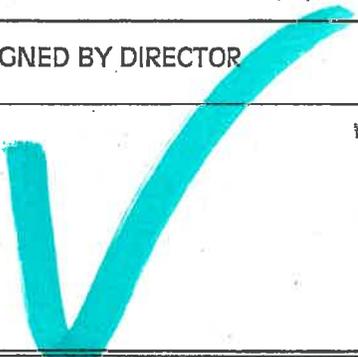


**DEPARTMENT OF HEALTH AND HUMAN SERVICES
OFFICE OF DIRECTOR**

ACTION REFERRAL

TO <i>Giese</i>	DATE <i>10/29/12</i>
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DIRECTOR'S USE ONLY	ACTION REQUESTED
1. LOG NUMBER <i>000128</i>	<input type="checkbox"/> Prepare reply for the Director's signature DATE DUE _____
2. DATE SIGNED BY DIRECTOR 	<input type="checkbox"/> Prepare reply for appropriate signature DATE DUE _____ <input type="checkbox"/> FOIA DATE DUE _____ <input checked="" type="checkbox"/> Necessary Action

APPROVALS (Only when prepared for director's signature)	APPROVE	* DISAPPROVE (Note reason for disapproval and return to preparer.)	COMMENT
1.			
2.			
3.			
4.			



RECEIVED

OCT 25 2012

Department of Health & Human Services
OFFICE OF THE DIRECTOR

October 23, 2012

Tony Keck
Director
State of South Carolina, Department of Health & Human Services
1801 Main Street PO Box 8206
Columbia, SC 29201 - 8206

Dear State Medicaid Administrator:

This communication is being sent to all of Merck's valued State Medicaid Rebate customers to inform you of a technical matter regarding the Medicaid rebate data for the following two NDC-11s of ASMANEX® TWISTHALER® 220 mcg (mometasone furoate inhalation powder): 00085-1341-03 and 00085-1341-04.

The current Medicaid unit of measure for these NDC-11s is grams. Merck originally manufactured and sold these ASMANEX NDC-11s with a fill weight of 0.240 grams of powder per package. In late summer and early fall of 2011, however, Merck made changed to the fill weight for these NDCs. Specifically, in August 2011, Merck made 00085-1341-03 available for sale with only 0.135 grams of powder per package, and in October 2011, Merck made 00085-1341-04 available for sale with only 0.135 grams of powder per package. Merck inadvertently continued selling ASMANEX under these two existing NDC-11s instead of establishing new NDC-11s. The current Units Per Package Size (UPPS) in the DDR for both 00085-1341-03 and 00085-1341-04 remains 0.240 grams per package.

Merck does not plan to change the UPPS values in DDR for 00085-1341-03 and 00085-1341-04 because we understand that the DDR system will not hold two different package sizes for the same NDC-11. The Company is in the process of discontinuing these NDC-11s, and plans to sell ASMANEX with the reduced fill weight under new NDC-11s (00085-1341-06 and 00085-1341-07) once 00085-1341-03 and 00085-1341-04 are discontinued. The new NDC-11s will be listed in the DDR as containing 0.135 grams per package (the amount in the packages). We are communicating with CMS regarding Merck's plan to address this temporary technical issue for 00085-1341-03 and 00085-1341-04 in our reasonable assumptions.

At present, no action is required of State Medicaid programs due to this technical issue. However, we wish to inform the States that we believe that presently the vast majority of 00085-1341-03 and 00085-1341-04 in the channel is at the 0.135 gram fill weight. We ask that State Medicaid programs keep this in mind when submitting rebate invoices.

If you have any questions or would like to discuss this further, please do not hesitate to contact John Stitt at (215) 652-8891.

Sincerely,

A handwritten signature in cursive script that reads "Michael Domanico".

Michael Domanico
Executive Director, Finance-Customer Contract Management

