

April 20, 2006

IOWA MEDICAID ENTERPRISE

To: Pharmacy Providers

From: IME Pharmacy Services

Effective Date: April 21, 2006

Subject: Medicare Part D Coverage of Niaspan® and Niacor® For Dual Eligibles

The Centers for Medicare and Medicaid Services (CMS) issued a letter on February 3, 2006 stating that Niaspan® and Niacor® should be considered nutritional supplements and therefore, be excluded from coverage by Medicare Part D. Subsequently, Iowa Medicaid has been paying for Niaspan® and Niacor® since January 1, 2006.

On April 11, 2006, CMS issued a follow up letter stating that since these drugs are used for the treatment of dyslipidemia and are used at doses higher than that appropriate for nutritional supplementation, these products should not be considered prescription vitamins for purposes of Part D coverage and are not universally excluded from coverage under the Medicare prescription drug program.

As a result of the change in classification of these drugs by CMS, effective April 21st, 2006, Iowa Medicaid **cannot cover** Niaspan® or Niacor® for dual eligibles. Prescriptions for these products should be referred to the member's Medicare Part D PDP for coverage.

If you have any questions regarding this change, please call the Point-of-Sale Help Desk at 877-463-7671(515-725-1107 in Des Moines).