end of the quarter. HCFA will provide PHS with the data necessary for PHS to determine the ceiling price which will be used for resolving disputes, studies involving pricing data, auditing manufacturers, or other program purposes.

For calendar year 1995, the Medicaid rebate for single source and innovator multiple source drugs is the greater of 15.2 percent of the AMP or the AMP minus BP. In calendar year 1996, and thereafter, the rebate percentage decreases to 15.1 percent. An additional rebate must also be paid for single source and innovator multiple source drugs in the amount by which the increase in the baseline AMP exceeds the increase in the Consumer Price Index—Urban (CPI–U). The PHS ceiling price is computed based on the combined basic and additional rebate amounts calculated for the Medicaid program. For noninnovator multiple source drugs, the rebate percentage is 11 percent of the AMP.

For PHS pricing purposes, the timeframe for reporting the pricing data is a problem with respect to new drugs because there is a time lag for new drug pricing information. For new drugs, manufacturers are permitted to calculate the AMP using the pricing instituted in the first quarter; however, the baseline AMP is not available until the end of the first full quarter after the day on which the drug was first sold. For example, if a new drug was first sold on January 15, the quarterly AMP for the period 1/1through 3/31 would be calculated using sales from 1/15 through 3/31 while the quarterly baseline AMP for the first full

quarter would not be available. The baseline AMP must be determined for a full quarter; therefore, pricing data for the period 4/1 through 6/30 would be utilized. Thus, for the first and second quarter, the discount for the new drug would be a manufacturer's estimate and later adjusted using only the basic rebate amount.

This time lag is not a problem for the State Medicaid agencies because they bill manufacturers for a rebate after the covered outpatient drugs are dispensed to Medicaid beneficiaries. However, to comply with the requirements of section 340B of the PHS Act, the PHS ceiling price must be determined before the covered outpatient drug is sold to the covered entity.

Because there are no sales data for a new drug from which to determine the PHS ceiling price, the Office of Drug Pricing is proposing to utilize a ceiling price estimated by the manufacturer until sufficient data is available to calculate the AMP and BP of the new drug. Any adjustments necessary to reconcile differences between the first and second quarter estimated ceiling price and the third quarter ceiling price will be in the form of a retroactive charge back or rebate.

Because the manufacturer calculates the PHS ceiling price using a data lag, the manufacturer would estimate the new drug ceiling price for three quarters. For example, a new single source drug that enters the market in February (first quarter) will have an estimated PHS ceiling price for that quarter. The manufacturer must submit AMP and BP pricing data for sales within that quarter to HCFA within 30 days from the end of the quarter (4/30). HCFA will use this pricing data to calculate the basic rebate amount.

The manufacturer must estimate the ceiling price for the second quarter (April 1–June 30). Sales during the quarter will constitute the baseline AMP and BP. The manufacturer must submit baseline AMP and BP for the second quarter to HCFA within 30 days from the end of the second quarter (7/30). The additional rebate amount does not apply to this quarter since there must be two full quarters of pricing data to generate an additional rebate amount when a price increase exceeds the increase the CPI–U.

Because manufacturers must transmit pricing to wholesalers two weeks before the beginning of the quarter, the total rebate amount (basic plus additional rebate) for the third quarter (July 1– September 30) will not be available at that time.

Manufacturers must submit pricing data to HCFA by 10/30. Thus, the manufacturer must offer the third quarter discount using only the basic rebate amount.

Beginning with the fourth quarter (October 1–December 31), the manufacturer will have the necessary pricing data to calculate a total rebate amount. All retroactive charge backs or rebate adjustments necessary to reconcile the first, second, and third quarters estimated ceiling price must be completed by the end of the fourth quarter, i.e., December 31.

Example: Drug Enters Market February 15.

	Calendar quarter	Baseline AMP	Add'l rebate (if applicable)	Pricing due to HCFA	Actual rebate amounts available from HCFA	
					Basic	Add'l
1 2 3 4	(Jan-Mar) (April-June) (July-Sept) (Oct-Dec)	X	X X	4/30 7/30 10/30 1/30	5/15 8/15 11/15 2/15	N/A N/A 11/15 2/15

Dated: September 26, 1995. Ciro V. Sumaya, Administrator, Health Resources and Services Administration. [FR Doc. 95–24349 Filed 9–29–95; 8:45 am] BILLING CODE 4160–15–P

DEPARTMENT OF THE INTERIOR

Bureau of Land Management

[AK-964-1410-00-P]

Notice for Publication; F–14841–A2 and F–14841–B2; Alaska Native Claims Selection

In accordance with Departmental regulations 43 CFR 2650.7(d), notice is hereby given that a decision to issue conveyance under the provisions of Sec. 14(a) of the Alaska Native Claims Settlement Act of December 18, 1971, 43 U.S.C. 1601, 1613(a), will be issued to Brevig Mission Native Corporation for approximately 21,682 acres. The lands involved are in the vicinity of Brevig Mission, Alaska, within Tps. 1 S., Rs. 36, 37 and 38 W.; T.3 S., R. 36 W.; and T. 1 N., R. 39 W., Kateel River Meridian, Alaska.

A notice of the decision will be published once a week, for four (4) consecutive weeks, in The Nome Nugget. Copies of the decision may be obtained by contacting the Alaska State Office of the Bureau of Land Management, 222 West Seventh