

## ALERTS AND UPDATES

### U.S. Military's TRICARE Health Program Issues Retail Pharmacy Refund Rule for Drug Prescriptions

October 19, 2010

On October 15, 2010, the U.S. Department of Defense ("DOD") issued a [regulation](#) nearly identical to the regulation it issued in March 2009, implementing the Retail Pharmacy Drug Refund Program (the "Program") of TRICARE, the healthcare program serving uniformed service members, retirees and their families.

- The regulation governs prescriptions filled on or after January 28, 2008, and paid for under the Program, subject to federal ceiling prices ("FCPs") under 38 U.S.C. § 8126. In essence, the regulation provides that manufacturers are responsible for applying FCPs to the Program.
- The DOD will administer the Program through a system of manufacturer refunds to DOD.
- The statute applies FCPs to all prescriptions filled on or after January 28, 2008.
- All covered drugs in the TRICARE Program are subject to FCPs.

#### For Further Information

If you have any questions about this *Alert*, please contact [Frederick \(Rick\) R. Ball](#), any of the [health law lawyers](#) in the [Pharmaceutical & Biotechnology](#) industry group or the attorney in the firm with whom you are regularly in contact.

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