



Region 10  
2201 Sixth Avenue, MS/RX 43  
Seattle, Washington 98121

**JUL 21 2010**

William Hogan, Commissioner  
Department of Health and Social Services  
Post Office Box 110601  
Juneau, Alaska 99811-0601

**RE: Alaska State Plan Amendment (SPA) Transmittal Number 09-008**

Dear Mr. Hogan:

The Centers for Medicare & Medicaid Services' (CMS) Seattle Regional Office has completed its review of Alaska State Plan Amendment (SPA) Transmittal Number 09-008. This SPA adds coverage of medically necessary vaccines for beneficiaries aged 19 and older to the State plan according to the Advisory Committee on Immunization Practices guidelines, including vaccines for influenza and H1N1. This SPA has been approved by CMS and is effective October 1, 2009, as requested by the State.

During review of this SPA, CMS learned that Alaska was allowing some pharmacists administering vaccines to claim Medicaid reimbursement for both a vaccine dispensing fee and a vaccine administration fee for the same unit of vaccine. CMS noted that in instances where an administration fee is paid to the pharmacist, reimbursement under the pharmacy benefit is limited to the cost of the drug only. Pharmacies are paid for Medicaid prescribed drugs based on the lower of the estimated acquisition cost plus a reasonable dispensing fee, or, the provider's usual and customary charge to the general public. The State quickly included language in the SPA pages under review that clarified that qualified pharmacists are not eligible to receive a dispensing fee for vaccines when an administration fee is paid. Additionally, the SPA clarified that the administration fee is \$17.46. CMS appreciates the State's swift response.

If you have any additional questions or require any further assistance, please contact me, or have your staff contact Tania Seto at (206) 615-2343 or via e-mail at [Tania.Seto@cms.hhs.gov](mailto:Tania.Seto@cms.hhs.gov).

Sincerely,

Carol J.C. Peverly<sup>1</sup>  
Acting Associate Regional Administrator  
Division of Medicaid and Children's Health  
Operations

cc: William Streur, Deputy Commissioner, Department of Health and Social Services

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL**

1. TRANSMITTAL NUMBER:  
09-08

2. STATE  
Alaska

FOR: HEALTH CARE FINANCING ADMINISTRATION

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE  
SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE  
October 1, 2009

5. TYPE OF PLAN MATERIAL (Check One):

NEW STATE PLAN       AMENDMENT TO BE CONSIDERED AS NEW PLAN       AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:  
1902(a)(10)(A) and 1905(a) of the Act

7. FEDERAL BUDGET IMPACT:  
a. FFY 10 \$889,664      \$ 1,076,000 (P&I)  
b. FFY 11 \$791,233      \$ 980,000 (P&I)

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  
~~Attached Sheets to Attachment 3.1-A, pages 2a and 4a-1 (P&I)~~  
Attached Sheets to Attachment 3.1-A, pages 2a & 4.4 (P&I)  
Attachment 3.1-A, page 6 (P&I)  
Attachment 4.19-B, page 13 (P&I)  
Administration page 66(b) (P&I)

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (If Applicable):  
~~Attached Sheets to Attachment 3.1-A, pages 2a and~~  
~~N/A Attached Sheets to Attachment 3.1-A, page 2a (P&I)~~  
Attachment 3.1-A, page 6 (P&I)  
Attachment 4.19-B, page 13 (P&I)  
Administration page 66(b) (P&I)

10. SUBJECT OF AMENDMENT:  
Immunizations for Recipients age 19 and over.

11. GOVERNOR'S REVIEW (Check One):

GOVERNOR'S OFFICE REPORTED NO COMMENT  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED: Does not wish to comment.

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME: Jerry Fuller

14. TITLE: Medicaid Director,  
Alaska Dept. of Health and Social Services

15. DATE SUBMITTED: November 30, 2009

16. RETURN TO:

Alaska Department of Health and Social Services  
PO Box 110601  
Juneau, AK 99811-0601

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: 11 30 2009

18. DATE APPROVED: JUL 21 2010

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: OCT 01 2009

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME: Carol JC Peverly

22. TITLE: Associate Regional Administrator  
Division of Medicaid &  
Children's Health

23. REMARKS:

12/31/2009 State authorized pen and ink changes.  
4/26/2010 State authorized pen and ink changes.  
6/16/2010 State authorized pen and ink changes.

Revision: HCFA-PM-94-8  
October 1994

State/Territory: Alaska

Citation (s)

- 4.19 (m) Medicaid Reimbursement for Administration of Vaccine under the Pediatric Immunization Program.
- 1928(c)(2)(C)(ii) of the Act (i) A provider may impose a charge for the administration of a qualified pediatric vaccine as stated in 1928(c)(2)(C)(ii) of the Act. Within this overall provision, Medicaid reimbursement to providers will be administered as follows.
- (ii) The State:
- X   sets a payment rate at the level of the regional maximum established by the DHSS Secretary.
- X   is a Universal Purchase State and sets a payment rate at the level of the regional maximum established in accordance with state law.
- sets a payment rate below the level of the regional maximum established by the DHSS Secretary.
- is a Universal Purchase State and sets a payment rate below the level of the regional maximum established by the Universal Purchase State.
- The state pays the following rate for the administration of a vaccine:
- \$17.46 per administration.
- 1926 of the Act (iii) Medicaid beneficiary access to immunizations is assured through the following methodology:
- Access is ensured by paying the Regional Maximum charge.

TN No. 09-08  
Supersedes  
TN No. 06-04

**JUL 21 2010**

Approval Date \_\_\_\_\_ Effective Date October 1, 2009

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**AMOUNT, DURATION, AND SCOPE OF MEDICAL AND REMEDIAL CARE AND SERVICES  
PROVIDED TO THE CATEGORICALLY NEEDY**

13. Other diagnostic, screening, preventive and rehabilitative services, i.e., other than those provided elsewhere in the plan.

a. Diagnostic services.

Provided with \_\_\_\_\_ No Limitations  
                    x   Limitations\*  
Not Provided \_\_\_\_\_

b. Screening services.

Provided with \_\_\_\_\_ No Limitations  
                    x   Limitations\*  
Not Provided \_\_\_\_\_

c. Preventive services.

Provided with \_\_\_\_\_ No Limitations  
                    x   Limitations\*  
Not Provided \_\_\_\_\_

d. Rehabilitative services.

Provided with \_\_\_\_\_ No Limitations  
                    x   Limitations\*  
Not Provided \_\_\_\_\_

\*Description provided on attached sheet

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TN No. 09-08 Approval Date: **JUL 21 2010** Effective Date: October 1, 2009

Supersedes: 94-014

### Description of Service Limitations

- 6.d.2 Tobacco cessation is provided as face-to-face counseling by a qualified pharmacist to a recipient with a prescription for such service. All counseling encounters must follow general Medicaid documentation requirements for the service provided. Qualified pharmacists are those who have attended at least one continuing education course on Tobacco Cessation in accordance with the federal public health guidelines found in the United States Department of Health and Human Services; Public Health Service's *Quick Reference Guide for Clinicians: Treating Tobacco Use and Dependence*. Such treatment may include discussing challenges to and strategies for success, behavior triggers, alcohol use, relapse and coordination with prescriber to ensure correct therapy is employed.
- 6.d.3 Qualified pharmacists providing administration of preventive vaccines, as authorized under "Other Licensed Practitioners" at 42 CFR 440.60, will be paid an administration fee for administering vaccines to recipients age 19 years old and above. Qualified pharmacists may administer all medically necessary vaccines, either by injection or intranasally, as authorized by the State within the scope of their practice.

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TN No. 09-08 Approval Date: **JUL 21 2010** Effective Date: October 1, 2009

Supersedes: 07-09

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**Description of Service Limitations**

- 12a. All medically necessary vaccines , including those for influenza, are covered for Alaska Medicaid recipients age 19 and over, per ACIP guidelines available at <http://www.cdc.gov/vaccines/recs/acip/default.htm>.
- 13c. Qualified enrolled licensed Medicaid providers practicing within their scope of practice to administer all medically necessary vaccines to adults age 19 and over and children under age 19.

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TN No. 09-08 Approval Date      Effective Date October 1, 2009

Supersedes TN No N/A

**JUL 21 2010**

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Methods and Standards for  
Establishing Payment Rates: Other Types of Care

Tobacco Cessation

Pharmacies providing prescribed tobacco cessation medication therapy management through a qualified pharmacist to a recipient with a prescription will be paid the lesser of billed charges or the state established fee schedule rate. State established rates are determined per the following equation: 85% of the current Medicare RVU established for this service x the conversion factor of \$45.90.

State developed fee schedule rates are the same for both public and private providers and the fee schedule and any annual/periodic adjustments to the fee schedule and its effective dates are published at <http://www.medicaidalaska.com/providers/Billing.shtml>

Vaccine Reimbursement

For Medicaid eligible individuals through 18 years of age –

- 1) Administration of Preventive Vaccines is only reimbursed via an Administration fee to participating/enrolled Alaska VFC providers under the Vaccines for Children (VFC) program. Information regarding the VFC program is found on page 66(b) of Alaska's Medicaid State plan.

For Medicaid eligible individuals aged 19 and over –

- 1) Qualified, enrolled, licensed, Medicaid providers in Alaska practicing within their scope of practice will be reimbursed an administration fee as follows:
  - a) Physicians will be reimbursed the lesser of billed charges or 100% of the applicable physician CPT code and/or the applicable vaccine CPT code as of the effective date of October 1, 2009, and subsequently modified by any annual/periodic adjustments to the fee schedule.
  - b) Nurse practitioners and physicians assistants will be reimbursed the lesser of billed charges or 85% of the applicable physician CPT code and/or the applicable vaccine CPT code as of the effective date of October 1, 2009, and subsequently modified by any annual/periodic adjustments to the fee schedule.
  - c) Pharmacists will be reimbursed the lesser of AWP minus 5% or billed charges plus an administration fee of \$17.46. Qualified pharmacists as authorized under "Other Licensed Practitioners" at 42 CFR 440.60 are not eligible to receive a dispensing fee for vaccines when an administration fee is paid.

State developed fee schedule rates are the same for both public and private providers and the fee schedule and any annual/periodic adjustments to the fee schedule and its effective dates are published at <http://www.medicaidalaska.com/providers/Billing.shtml>

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**JUL 21 2010**

TN No. 09-08 Approval Date: \_\_\_\_\_ Effective Date: October 1, 2009

Supersedes: N/A