

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: <div style="text-align: center;">2010-004</div>	2. STATE <div style="text-align: center;">ARKANSAS</div>
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 <div style="text-align: center;">June 1, 2010</div>	
5. TYPE OF PLAN MATERIAL (<i>Check One</i>): <div style="display: flex; justify-content: space-between;"> <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT </div> <div style="text-align: center; font-size: small;">COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (<i>Separate Transmittal for each amendment</i>)</div>			
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR Part 447	7. FEDERAL BUDGET IMPACT: <div style="display: flex; justify-content: space-between;"> <div style="width: 40%;">a. FFY 2010</div> <div style="width: 10%; text-align: right;">\$-0-</div> </div> <div style="display: flex; justify-content: space-between;"> <div style="width: 40%;">b. FFY 2011</div> <div style="width: 10%; text-align: right;">\$-0-</div> </div>		
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B, Page 4	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>): Same, Approved 06-04-02, TN 02-08		
10. SUBJECT OF AMENDMENT: The Arkansas Title XIX State Plan has been amended to remove unnecessary language due to changes in the Health Care Reform Act and the redefining calculation of the Federal Upper Limit.			
11. GOVERNOR'S REVIEW (<i>Check One</i>): <div style="display: flex; justify-content: space-between;"> <div style="width: 60%;"> <input checked="" type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL </div> <div style="width: 35%; text-align: right;"> <input type="checkbox"/> OTHER, AS SPECIFIED: </div> </div>			
12. SIGNATURE OF STATE AGENCY OFFICIAL: 	16. RETURN TO: Division of Medical Services PO Box 1437, Slot S295 Little Rock, AR 72203-1437 Attention: LeAnn Edwards		
13. TYPED NAME: Eugene I. Gessow	14. TITLE: Director, Division of Medical Services		
15. DATE SUBMITTED: June 3, 2010	17. DATE RECEIVED: 3 June, 2010		
FOR REGIONAL OFFICE USE ONLY			
19. EFFECTIVE DATE OF APPROVED MATERIAL: <div style="text-align: center;">1 June, 2010</div>		18. DATE APPROVED: <div style="text-align: center;">12 August, 2010</div>	
PLAN APPROVED – ONE COPY ATTACHED			
21. TYPED NAME: Bill Brooks		20. SIGNATURE OF REGIONAL OFFICIAL: 	
23. REMARKS: <div style="border: 1px solid black; height: 100px; width: 100%;"></div>		22. TITLE: Associate Regional Administrator Division of Medicaid & Children's Health	

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM
STATE ARKANSAS

ATTACHMENT 4.19-B
Page 4

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -
OTHER TYPES OF CARE

Revised: June 1, 2010

12. Prescribed drugs, dentures, and prosthetic devices; and eyeglasses prescribed by a physician skilled in diseases of the eye or by an optometrist

a. Prescribed Drugs

The reimbursement rate has two components:

DISPENSING FEE: The Dispensing Fee is set at \$5.51, which represents the survey findings of a statistically valid actual cost of dispensing. An additional differential dispensing fee shall be given to pharmacy providers when a generic that does not have a State or federal upper limit is dispensed. The additional differential dispensing fee is set at \$2.00.

INGREDIENT COST: To assure quality of care and access, to assure efficiency and economy and safeguard against unnecessary utilization payment for ingredient cost for brand name drugs and all other drugs for which a specific limit has not been established is limited to the lesser of the provider's usual and customary charge or 86% of AWP (AWP-14%) for brand name drugs and 80% of AWP (AWP-20%) for multi-source (generic) drugs.

PAYMENT LIMITATIONS-INGREDIENTS: Arkansas Medicaid identifies certain brand and generically available drugs and places an upper limit on these drugs. Acquisition costs on these drugs are obtained from multiple sources. Depending on the variance, either the highest acquisition cost or an average of the acquisition costs is obtained and a percentage applied to determine a state upper limit.

Those drugs identified administratively, judicially or by a federal agency as having an Average Wholesale Price far exceeding the actual acquisition cost, and whose average sales price is presented to the state, will be subject to a state upper limit set by reference to the average acquisition cost.

SUPERSEDES: TN- 02-08

STATE	<u>Arkansas</u>	A
DATE REC'D	<u>6-3-10</u>	
DATE APP'D	<u>8-12-10</u>	
DATE EFF	<u>6-1-10</u>	
HCFA 179	<u>10-04</u>	