

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-14-26
Baltimore, Maryland 21244-1850



Center for Medicaid and CHIP Services

Disabled and Elderly Health Programs Group

Toby Douglas, Chief Deputy Director
California Department of Health Care Services
PO Box 997413, MS 0000
1501 Capitol Avenue
Sacramento, CA 95814

OCT 27 2011

Dear Mr. Douglas:

We have reviewed California State Plan Amendment (SPA) 10-024, Reimbursement for Drugs received in the Regional Office on December 10, 2010. This amendment proposes to reduce reimbursement for prescription drugs by five percent for products dispensed on or after March 1, 2011. Based on information provided by your staff, we do not believe access to prescription drugs will be impaired by this payment reduction. In addition, per an email sent by your staff dated September 29, 2011, we made the requested change to block four on the CMS 179 form. We are pleased to inform you that the amendment is approved, effective March 1, 2011.

A copy of the CMS-179 form, as well as the page approved for incorporation into the California State plan will be forwarded by the San Francisco Regional Office. If you have any questions regarding this approval, please contact Steven Johnson at (410) 786-3332.

Sincerely,


Larry Reed
Director
Division of Pharmacy

cc: Vanessa Baird, Deputy Director
Pilar Williams, Chief
Gloria Nagle, PhD, MPA, ARA San Francisco Regional Office
Beverly Binkier, San Francisco Regional Office
Rodd Mas, San Francisco Regional Office