DEPARTMENT OF HEALTH & HUMAN SERVICES Centers for Medicare & Medicaid Services JFK Federal Building, Government Center

Room 2275 Boston, Massachusetts 02203



Division of Medicaid and Children's Health Operations / Boston Regional Office

October 30, 2013

Roderick Bremby, Commissioner Department of Social Services 25 Sigourney Street Hartford, Connecticut 06106

Dear Mr. Bremby:

On October 24, 2013, our Central Office sent you a letter approving your proposed State Plan amendment (SPA) No. 13-005. This letter transmits the Transmittal and Notice of Approval State Plan Material (CMS-179) and the approved State Plan pages.

In SPA 13-005 the state proposes to reduce the dispensing fee from \$2.00 to \$1.70 for Medicaid covered outpatient prescription drugs. This SPA has been approved effective January 16, 2013, as requested by the State.

Changes are reflected in the following sections of your approved State Plan:

Attachment 4.19B, page 2

If you have any questions regarding this matter you may contact Marie Montemagno (617) 565-9157 or by e-mail at Marie.Montemagno@cms.hss.gov

Sincerely,

/s/

Richard R. McGreal Associate Regional Administrator

cc: Kate McEvoy, Interim Director, Medical Care Administration

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION	TRANSMITTAL NUMBER: 13-005 PROGRAM IDENTIFICATION: TITLE XIX OF SOCIAL SECURITY ACT (MEDICAID)	2. STATE: CT OF THE
TO: REGIONAL ADMINISTRATOR, CENTERS FOR MEDICARE AND MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES 5. TYPE OF STATE PLAN MATERIAL (Check One):	4. PROPOSED EFFECTIVE DATE January 16, 2013	
NEW STATE PLANAMENDMENT TO BE CONSIDERED AS NEW PLANX_AMENDMENT		
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)		
6. FEDERAL STATUTE/REGULATION CITATION: Section 1927 of the Social Security Act 42 CFR 447.518	7. FEDERAL BUDGET IMPACT: FFY 2013 \$ (940,000) Savings FFY 2014 \$ (1.3 million) Savings	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B Page 2	9. PAGE NUMBER OF THE SUPERSEDED PLA SECTION OR ATTACHMENT (If applicable) Attachment 4.19-B Page 2	N
10. SUBJECT OF AMENDMENT: Under SPA 13-005, the Department proposes to amend Attachment 4.19-B of the Connecticut Medicaid State Plan pertaining to pharmacy services to reduce the pharmacy dispensing fee from \$2.00 to \$1.70 per prescription.		
GOVERNOR'S REVIEW (Check One): X GOVERNOR'S OFFICE REPORTED NO COMMENT COMMENTS OF GOVERNOR'S OFFICE ENCL NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL	_OTHER, AS SPECIFIED:	
12. SIGNATURE OF STATE ACRES OFFICIAL:	16. RETURN TO:	
TYPED NAME: Roderick L. Bremby	State of Connecticut Department of Social Services 25 Sigourney Street Hartford, CT 06106-5033	
14. TITLE: Commissioner		
15. DATE SUBMITTED: March 26, 2013 FOR REGION	Attention: Ginny Mahoney, Medical Policy AL OFFICE USE ONLY	
17. DATE RECEIVED: March 26, 2013	18. DATE APPROVED: October 24, 2013	A STATE OF THE STA
PLAN APPROVED – ONE COPY ATTACHED		
19. EFFECTIVE DATE OF APPROVED MATERIAL: January 16, 2013	20.	4
21. TYPED NAME: Richard R. McGreak	22. TITLE: Associate Regional Administrator Division of Medicaid and Children's	Health Operations
23. REMARKS: FORM HCFA-179 (07-92)		

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT STATE CONNECTICUT

(a) Prescribed Drugs

- 1. With the exception of (a)2 and (a)3 below the cost of drugs is determined by the drug product allowance established by the Federal Upper Limit plus a professional Dispensing Fee of \$1.70; The State's estimated acquisition cost (E.A.C.) which is AWP -16% plus the professional Dispensing Fee of \$1.70; or the usual and customary charge to the general public, whichever is lower.
- 2. The maximum allowable cost paid for selected multi-source brand and generic drugs meeting the following criteria shall be the Average Wholesale Price (AWP) minus 72% plus the professional Dispensing Fee. If providers are not able to purchase such drugs at this rate, a stepped down maximum allowable cost tiered approach will be enforced with the maximum reimbursement set at AWP minus 20% plus the professional Dispensing Fee:
 - at least two suppliers of the generic product are available,
 - drug is not on the Federal Upper Limit (FUL) list or, and
 - all dosage forms (including tablets, capsules, eye drops, inhalers, topicals and liquids).
 - The Department uses a MAC Pricing Inquiry Worksheet for drugs on the MAC list. This worksheet allows providers to document difficulty in obtaining a specific drug for the MAC price set in this section. The MAC Pricing Inquiry Worksheet requires the provider to submit certain information to the Department, including the actual purchase invoice for the drug. If the information submitted demonstrates a provider's inability to purchase a drug for the MAC price using the tiered approach described above, the Department removes the drug from the MAC list and the price for that drug is based on the EAC, as described in (a)(1), above.
- 3. The maximum allowable cost paid for Factor VIII (Factorate, Antihemophilic Factor, AHF) pharmaceuticals shall be the Actual Acquisition Cost (AAC) plus eight per cent.

TN# <u>13-005</u> Supersedes TN # <u>11-035</u>

Approval Date 10/24/13

Effective Date: January 16, 2013