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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

May 16, 2018

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

Dear Mr. Bremby:

On April 30, 2018, our Central Office sent you a letter approving your proposed State Plan amendment (SPA) No. 15-036. This letter transmits the Transmittal and Notice of Approval State Plan Material (CMS-179) and the approved State Plan pages.

In SPA 15-036, the state proposes changes to pages 3.1-A and 3.1-B of the Medicaid State Plan in order to implement changes to coverage of over-the-counter medications and products covered by the Plan. This SPA also amends Attachment 4.19-B of the Medicaid State Plan to decrease reimbursement to pharmacies for dispensing drugs based on Average Wholesale Price (AWP) minus 16.5%. In addition, this SPA reduces the dispensing fee to licensed pharmacies for each prescription to \$1.40. Finally, this SPA amends Attachment 4.19-B Page 1(a) to add a reimbursement methodology for over-the-counter and prescription products that are covered under Home Health Services.

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

- Addendum page 11 to Attachment 3.1A
- Addendum page 11 to Attachment 3.1B
- Attachment 4.19B, Page 2
- Attachment 4.19B, Page 1(a)v

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

Sincerely,

/S/

Richard R. McGreal
Associate Regional Administrator

cc: Kate McEvoy, Director of Medical Administration - Health Services and Supports

**TRANSMITTAL AND NOTICE OF APPROVAL
OF STATE PLAN MATERIAL
FOR: HEALTH CARE FINANCING ADMINISTRATION**

TO: REGIONAL ADMINISTRATOR
CENTERS FOR MEDICARE AND MEDICAID SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

1. TRANSMITTAL NUMBER:
15-036

2. STATE: CT

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

4. PROPOSED EFFECTIVE DATE:
July 1, 2015

5. TYPE OF STATE 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:

Sections 1905(a)(12) of the Social Security Act and 42 CFR 440.120, 1905(a)(7) Social Security Act, and 42 CFR 440.70(b)(3)

7. FEDERAL BUDGET IMPACT:

a. FFY 2015 (\$1.2 million) (savings)
b. FFY 2016 (\$4.9 million) (savings)

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Addendum Page 11 to Attachment 3.1-A
Addendum Page 11 to Attachment 3.1-B
Attachment 4.19-B, Page 2
Attachment 4.19-B, Page 1(a)v

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (if applicable)

Addendum Page 11 to Attachment 3.1-A
Addendum Page 11 to Attachment 3.1-B
Attachment 4.19-B, Page 2
Attachment 4.19-B, Page 1(a)v

10. SUBJECT OF AMENDMENT: Effective July 1, 2015, SPA 15-036 amends Attachments 3.1-A and 3.1-B of the Medicaid State Plan in order to implement changes to coverage of over-the-counter medications and products covered by the Plan. This SPA also amends Attachment 4.19-B of the Medicaid State Plan to decrease reimbursement to pharmacies for dispensing drugs based on average Wholesale price (AWP) minus 16.5%. In addition, this SPA reduces the professional fee to licensed pharmacies for each prescription to \$1.40. This SPA also amends Attachment 4.19B Page 1(a)v to add a reimbursement methodology for over-the-counter and prescription products that are covered under Home Health Services.

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:

12. SIGNATURE OF STATE AGENCY OFFICIAL:

/S/

13. TYPED NAME: Roderick L. Byrnes

14. TITLE: Commissioner

15. DATE SUBMITTED:
September 28, 2015

16. RETURN TO:

State of Connecticut
Department of Social Services
55 Farmington Avenue - 9th floor
Hartford, CT 06105
Attention: Ginny Mahoney

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: September 28, 2015

18. DATE APPROVED: April 30, 2018

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
July 1, 2015

20. SIGNATURE OF REGIONAL OFFICIAL:
/S/

21. TYPED NAME: Richard R. McGreal

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

23. REMARKS: Pen and Ink Change to Box 6 approved by State.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State CONNECTICUTAMOUNT, DURATION & SCOPE OF SERVICES PROVIDED TO CATEGORICALLY NEEDY GROUP(S): ALL

- (4) Effective January 1, 2006, the Medicaid agency will not cover any Part D drug for full-benefit dual eligible individuals who are entitled to receive Medicare benefits under Part A or Part B.

The following drugs or classes of drugs are excluded from coverage by the Medicaid agency, except the drugs checked, for which the Medicaid agency provides coverage, as described below, to ALL Medicaid recipients, including full benefit dual eligible beneficiaries under the Medicare Prescription Drug Benefit – Part D:

- ☒ Agents when used for anorexia, weight loss, weight gain
(Weight gain medications, anabolic steroids, growth hormones only)
- ☐ Agents when used to promote fertility
- ☐ Agents when used for cosmetic purposes or hair growth
- ☒ Agents when used for the symptomatic relief of cough and colds
- ☒ Prescription vitamins and mineral products, except prenatal vitamins and fluoride
- ☒ Nonprescription drugs on the OTC formulary; and low-dose aspirin covered for men ages 45 to 79 years, women who are pregnant, and women ages 55 to 79 years when the potential benefit outweighs the potential harm.
(OTC formulary includes the following drugs for all clients: Antacids, H2 Receptor inhibitors, nasal mast stabilizer, laxatives, proton pump inhibitors, analgesis/antipyretics/NDAIDS, antihistamines, topical Antifungals, and vaginal Antifungals. OTC formulary includes the following drugs only covered for clients under age 21: cough, cold and allergy preparation; peak flow meters; and infant formulas).
- ☐ Covered outpatient drugs which the manufacturer seeks to require as a condition of sale that associated tests or monitoring services be purchased exclusively from the manufacturer or its designee

- (5) Certification of Brand Name Drugs
Reimbursement for multiple-source drugs for which CMS has designated a FUL is not limited to the FUL if a licensed authorized practitioner determines that a specific brand is medically necessary for a particular patient provided the requirements noted in section 5(a) are met.

- (6) Prior Authorization Requirements:
PA shall be available in accordance with 1927(d)(5) of the Social Security Act. The state shall provide a response within two (2) hours upon a request for prior authorization. An automatic fourteen (14) day supply of medication shall be made available if no prior authorization has been requested and granted. In addition, a one-time five (5) day emergency supply shall be made available when the department representative has been contacted and no prior authorization has been requested and granted.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State CONNECTICUTAMOUNT, DURATION & SCOPE OF SERVICES PROVIDED TO MEDICALLY NEEDY GROUP(S): ALL

- (4) Effective January 1, 2006, the Medicaid agency will not cover any Part D drug for full-benefit dual eligible individuals who are entitled to receive Medicare benefits under Part A or Part B.

The following drugs or classes of drugs are excluded from coverage by the Medicaid agency, except the drugs checked, for which the Medicaid agency provides coverage, as described below, to ALL Medicaid recipients, including full benefit dual eligible beneficiaries under the Medicare Prescription Drug Benefit – Part D:

- ☒ Agents when used for anorexia, weight loss, weight gain
(Weight gain medications, anabolic steroids, growth hormones only)
- ☐ Agents when used to promote fertility
- ☐ Agents when used for cosmetic purposes or hair growth
- ☒ Agents when used for the symptomatic relief of cough and colds
- ☒ Prescription vitamins and mineral products, except prenatal vitamins and fluoride
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(OTC formulary includes the following drugs for all clients: Antacids, H2 Receptor inhibitors, nasal mast stabilizer, laxatives, proton pump inhibitors, analgesis/antipyretics/NDAIDS, antihistamines, topical Antifungals, and vaginal Antifungals. OTC formulary includes the following drugs only covered for clients under age 21: cough, cold and allergy preparation; peak flow meters; and infant formulas).
- ☐ Covered outpatient drugs which the manufacturer seeks to require as a condition of sale that associated tests or monitoring services be purchased exclusively from the manufacturer or its designee

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

- (12) Prescribed drugs and prosthetic devices; and eyeglasses prescribed by a physician skilled in diseases of the eye or by an optometrist whichever the individual may select.

(a) Prescribed Drugs

1. With the exception of (a)(2), (a)(3), and (a)(4) below, the cost of drugs is determined by the drug product allowance established by the Federal Upper Limit plus a professional Dispensing Fee of \$1.40; the State's estimated acquisition cost (E.A.C.) which is AWP –16.5% plus the professional Dispensing Fee of \$1.40; 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.
4. Over-the-counter drugs are reimbursed at Average Wholesale Price (AWP).

TN# 15-036
Supersedes
TN # 14-038

Approval Date 4/30/18 _____

Official
Effective Date: 07/01/2015

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State Connecticut

(7) Home Health Services –

- (a) Intermittent or part-time nursing services provided by a home health agency or by a registered nurse when no home health agency exists in the area are provided with limitations.
- (b) Home health aide services provided by a home health agency with limitations.
- (d) Physical therapy, occupational therapy, or speech pathology and audiology services provided by a home health agency or medical rehabilitation facility are provided with limitations.

The fee schedule for licensed home health care agencies for service (a), (b), and (d) above can be accessed and downloaded by going to the Connecticut Medical Assistance Program website: www.ctdssmap.com. From this web page, go to “Provider,” then to “Provider Fee Schedule Download.” Home health service rates were set as of January 1, 2015¹ and are effective for services on or after that date. Rates are the same for private and governmental providers and are published on the agency’s website. Any fee payable to a home health care agency may qualify for an add-on to the standard fee for the applicable home health service upon application by the agency evidencing extraordinary costs associated with (1) treating AIDS patients; (2) high risk maternal child health care; (3) escort security services or (4) extended hour services. The provider must complete the appropriate application form showing the incremental costs that the agency incurs for the service. The allowable added cost is divided by all projected visits with and without the additional special circumstance (i.e., 1, 2, 3 or 4 above). The Department may add or delete codes in order to remain compliant with HIPAA. In no case will the fee paid to an agency exceed the agency charge to the general public for similar services

(c) Medical supplies, equipment and appliances suitable for use in the home – The current fee schedule was set as of March 1, 2015² and is effective for services provided on or after that date, except that codes may be deleted or added in order to remain compliant with HIPAA. The fee schedule can be accessed and downloaded by going to the Connecticut Medical Assistance Program website: www.ctdssmap.com. From this web page, go to “Provider,” then to “Provider Fee Schedule Download.” Over-the-counter products and prescription products provided by pharmacies are each reimbursed using the applicable methodology specified in section 12 of Attachment 4.19-B. All governmental and private providers are reimbursed according to the same fee schedule.

(8) Private duty nursing services – Not provided.

TN # 15-036Approval Date 4/30/18Effective Date 07/01/2015

Supersedes

TN # 15-016

¹ **EXPLANATORY FOOTNOTE 1:** The language on this SPA page does not affect the previous out-of-order approvals of SPAs 15-049, 16-007, 16-0023, 16-0027, 16-0034, 17-0007, 17-0014, and 17-0029, each of which remains in effect from its effective date until otherwise superseded. The effective date(s) and superseded SPA are listed in order to be consistent with the language and effective date for SPA 15-036. See the letter dated April 4, 2018 in the SPA record for SPA 15-036 for additional details.

² See Explanatory Footnote 1.