

## **Table of Contents**

**State/Territory Name: Washington, D.C.**

**State Plan Amendment (SPA) #: 36/24**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 4) CMS 179 Form/Summary Form (with 179-like data)
- 5+"Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
150 S. Independence Mall West  
Suite 216, The Public Ledger Building  
Philadelphia, Pennsylvania 19106-3499



**Region III/Division of Medicaid and Children's Health Operations**

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SWIFT # 040120144019

**JUL 16 2014**

Claudia Schlosberg, J.D.  
Acting Senior Deputy Director/State Medicaid Director  
Department of Health Care Finance  
441 4<sup>th</sup> Street, N.W., 9<sup>th</sup> Floor  
Washington, D.C.

Dear Ms. Schlosberg:

The Centers for Medicare & Medicaid Services (CMS) has completed its review of Washington, D.C.'s State Plan Amendment (SPA) 14-02. SPA 14-02 proposed a revision of the National Medicaid Pooling Initiative (NMPI) supplemental rebate agreement that enables the District to continue to receive supplemental rebates from participating pharmaceutical manufacturers.

This SPA is acceptable. Therefore, we are approving SPA 14-02 with an effective date of January 1, 2014. Enclosed is a copy of the CMS Summary Page (CMS-179 form) and the approved State Plan pages.

We appreciate the cooperation and effort provided by your staff throughout this process. If you have further questions about this SPA, please contact Kia Banton of my staff at 215-861-4252 or by email at [Kia.Banton@cms.hhs.gov](mailto:Kia.Banton@cms.hhs.gov).

Sincerely, — /s/ *AA*

~~FRANCIS MCCULLOUGH~~  
Associate Regional Administrator

Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL	1. TRANSMITTAL NUMBER: <b>14-02</b>	2. STATE District of Columbia
	3. PROGRAM IDENTIFICATION: Title XIX of the Social Security Act	
TO: Regional Administrator Centers for Medicare & Medicaid Services Department of Health and Human Services		4. PROPOSED EFFECTIVE DATE <b>January 1, 2014</b>

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 Section 1927(a)(1) and 1927(a)(4) of the Social Security Act	7. FEDERAL BUDGET IMPACT a. FFY 14 \$0 b. FFY 15 \$0
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT  Supplement 1 to Attachment 3.1-A p. 19 Supplement 1 to Attachment 3.1-B p. 18	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)  Supplement 1 to Attachment 3.1-A p. 19 Supplement 1 to Attachment 3.1-B p. 18

10. SUBJECT OF AMENDMENT:

**Pharmacy Supplemental Rebate Agreement Program**

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:  
Resolution Number: 20-0682

12. SIGNATURE OF STATE AGENCY OFFICIAL <i>/s/</i>	16. RETURN TO  Linda Elam, Ph.D., M.P.H. Senior Deputy Director/Medicaid Director Department of Health Care Finance 441 4 <sup>th</sup> Street, NW, 9 <sup>th</sup> Floor, South Washington, DC 20002
13. TYPED NAME Linda Elam, Ph.D., M.P.H.	
14. TITLE Senior Deputy Director/Medicaid Director	
15. DATE SUBMITTED March 26, 2014	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED <b>MAR 26 2014</b>	18. DATE APPROVED <b>JUN 18 2014</b>
PLAN APPROVED - ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL <b>JAN 01 2014</b>	20. SIGNATURE OF REGIONAL OFFICIAL <i>/s/</i>
21. TYPED NAME <i>Francis McCullough</i>	22. TITLE <i>Associate Regional Administrator</i>
23. REMARKS	

authorization. The District has established a preferred drug list with prior authorization for drugs not included on the preferred drug list. The prior authorization process complies with the requirements of Section 1927 of the Social Security Act and provides for a 24-hour turnaround by either telephone or other telecommunications device from receipt of request and provides for a 72 hour supply of drugs in emergency circumstances. The preferred drug list meets the formulary requirements that are specified in Section 1927 (d)(4) of the Act.

- 5) The drugs or classes of drugs listed in 42 USC 1396r-8(d)(2) are excluded from coverage unless specifically placed, either individually or by drug class, on the Medicaid Drug List or by prior authorization based on FDA-approved indications or a medically accepted indication documented in official compendia or peer-reviewed medical literature. The following drugs are excluded from coverage through the Outpatient Pharmacy Program:

- a. A drug for which the FDA has issued a "less than effective (LTE) rating or a drug "identical, related, or similar" to an LTE drug;
- b. A drug that has reached the termination drug established by the drug manufacturer; and
- c. A drug for which the drug manufacturer has not entered into or has not complied with a rebate agreement in accordance with 42 USC 1396 r-8 (a) unless there has been a review and determination by DHCF that it shall be in the best interest of Medicaid recipients to make payments for the non-rebated drug.

- 6) Supplemental Rebate Program:

The District is in compliance with section 1927 of the Social Security Act. The District has the following policies for the Supplemental Rebate Program for the Medicaid population:

- a. The "Supplemental Drug Rebate Agreement" between the participating states, Magellan Medicaid Administration, and the participating manufacturers, has been submitted to CMS and authorized by CMS effective October 1, 2013.
- b. CMS has authorized the District of Columbia to enter into the National Medicaid Pooling Initiative (NMPI) for outpatient drugs provided to Medicaid beneficiaries. The Supplemental Drug Rebate Agreement authorizes the District to enter into new or renewal agreements with pharmaceutical manufacturers for outpatient drugs provided to Medicaid beneficiaries.
- c. Supplemental rebates received by the District in excess of those required under the national drug rebate agreement will be shared with the Federal government on the same percentage basis as applied under the national drug rebate agreement.
- d. Manufacturers who do not participate in the supplemental rebate program will continue to have their drugs made available to Medicaid participants through either the preferred drug list or the prior authorization process



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