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State/Territory Name: Florida

State Plan Amendment (SPA) #: 17-0005

This file contains the following documents in the order listed:

- 1) RO Follow-Up Approval Letter
- 2) Pharmacy Approval Letter
- 3) CMS 179 Form
- 4) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Atlanta Regional Office
61 Forsyth Street, Suite 4T20
Atlanta, Georgia 30303



DIVISION OF MEDICAID & CHILDREN'S HEALTH OPERATIONS

September 25, 2017

Ms. Beth Kidder
Deputy Secretary for Medicaid
2727 Mahan Drive, MS#8
Tallahassee, FL 32308

Attn: Mr. James Ross

RE: Title XIX State Plan Amendment (SPA), FL 17-0005

Dear Ms. Kidder:

This is to affirm approval of the above referenced State Plan Amendment which was submitted to the Atlanta Regional Office on June 27, 2017. The State's requested effective date of April 1, 2017 has been accepted.

Enclosed for your records are:

1. A copy of the approval letter dated September 22, 2017 that was submitted to the State by Meagan T. Khau, Deputy Director, Division of Pharmacy;
2. The original signed SPA; and
3. The approved plan pages.

If you have any additional questions or need further assistance, please contact Cheryl L. Brimage at (404) 562-7116 or by email at cheryl.brimage@cms.hhs.gov.

Sincerely,

//s//

Shantrina Roberts
Acting Associate Regional Administrator
Division of Medicaid & Children's Health Operations

Enclosures



Center for Medicaid and CHIP Services

Disabled and Elderly Health Programs Group

September 22, 2017

Ms. Beth Kidder
Deputy Secretary for Medicaid
Agency for Health Care Administration
2727 Mahan Drive, Mail Stop #8
Tallahassee, FL 32308

Dear Ms. Kidder:

We have reviewed Florida's State Plan Amendment (SPA) 17-0005 received in the Atlanta Regional Office on June 27, 2017. This SPA proposes to bring Florida into compliance with the reimbursement requirements in the Covered Outpatient Drug final rule with comment period (CMS-2345-FC).

SPA 17-0005 establishes reimbursement rates for covered outpatient drugs using an actual acquisition cost methodology and implements a professional dispensing fee of \$10.24. This SPA also includes reimbursement rates for 340B drugs, physician-administered drugs, federal supply schedule drugs, and drugs purchased at a nominal price. The state provided data and studies to demonstrate that the acquisition cost methodology and pharmacy dispensing fees being paid are sufficient to assure that Florida's beneficiaries will have access to pharmacy services at least to the extent as the general population.

Based on the information provided and consistent with the regulations at 42 CFR 430.20, we are pleased to inform you that SPA 17-0005 is approved with an effective date of April 1, 2017. A copy of the signed CMS-179 form, as well as the pages approved for incorporation into Florida's state plan will be forwarded by the Atlanta Regional Office.

If you have any questions regarding this amendment, please contact Terry Simananda at (410) 786-8144 or terry.simananda@cms.hhs.gov.

Sincerely,

/s/

Meagan T. Khau
Deputy Director
Division of Pharmacy

CC: Shantrina Roberts, Acting ARA, CMS, Atlanta Regional Office
Cheryl Brimage, CMS, Atlanta Regional Office
James Ross, Florida Agency for Health Care Administration

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION		1. TRANSMITTAL NUMBER: 2017-005	2. STATE Florida
		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 April 1, 2017	
5. TYPE OF PLAN MATERIAL (<i>Check One</i>):			
<input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN x <input checked="" type="checkbox"/> AMENDMENT			
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (<i>Separate Transmittal for each amendment</i>)			
6. FEDERAL STATUTE/REGULATION CITATION: 81 FR 5169 42 CFR 447		7. FEDERAL BUDGET IMPACT: a. FFY 2016-2017 \$(1,926,000) b. FFY 2017-2018 \$(3,852,000)	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B 4 Attachment 4.19-B 4a		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>): Attachment 4.19-B 4 Attachment 4.19-B 4a	
10. SUBJECT OF AMENDMENT: This amendment intends to change the reimbursement methodology and the dispensing fee for covered Outpatient drugs dispensed by Florida Medicaid approved licensed retail community pharmacies or a provider enrolled as dispensing Practitioner. This amendment will also change the reimbursement methodology of physician administered drugs			
11. GOVERNOR'S REVIEW (<i>Check One</i>):			
<input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT x <input checked="" type="checkbox"/> OTHER, AS SPECIFIED:			
12. SIGNATURE OF STATE AGENCY OFFICIAL: //s//		16. RETURN TO: Mrs. Beth Kidder Agency Secretary for Medicaid 2727 Mahan Drive, Mail Stop #8 Tallahassee, FL 32308 Attention: James Ross	
13. TYPED NAME: Mrs. .Beth Kidder			
14. TITLE: Deputy Secretary for Medicaid			
15. DATE SUBMITTED: 06/26/17			
17. DATE RECEIVED: 06/27/17		18. DATE APPROVED: 09/22/17	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: 04/01/17		20. SIGNATURE OF REGIONAL OFFICIAL: //s//	
21. TYPED NAME: Shantrina Roberts		22. TITLE: Acting Associate Regional Administrator Division of Medicaid & Children Health Opns	
23. REMARKS:			

PREScribed DRUGS

Florida Medicaid reimburses for prescribed drugs in accordance with the provisions of Title 42 Code of Federal Regulations, Section 447 Subpart I.

1. Florida Medicaid reimburses for covered drugs dispensed by an approved Florida Medicaid pharmacy provider, or a provider enrolled as a dispensing practitioner, in an amount not to exceed the lesser of the following four items:
 - a. The Actual Acquisition Cost (AAC) plus a professional dispensing fee (PDF) of \$10.24. The National Average Drug Acquisition Cost (NADAC) will be used for the AAC when available. If the NADAC is unavailable, the AAC will be equal to wholesaler acquisition cost.
 - b. The Wholesaler Acquisition Cost (WAC) plus a PDF of \$10.24.
 - c. The State Maximum Allowable Cost plus a PDF of \$10.24.
 - d. The provider's Usual and Customary Charge (U&C).

Florida Medicaid reimburses for the following utilizing the above payment methodology:

- Covered outpatient drugs dispensed by a retail community pharmacy
- Specialty drugs dispensed primarily through the mail
- Drugs not purchased pursuant to the 340B Program by a covered entity
- Drugs dispensed in an institutional or long term care pharmacy when not included as part of an inpatient stay

Florida Medicaid utilizes the NADAC in the reimbursement methodology, which ensures that the FUL price in the aggregate will not be exceeded.

2. Florida Medicaid utilizes the actual purchased drug price plus a PDF in the reimbursement methodology for drugs acquired via the Federal Supply Schedule (FFS).
3. Florida Medicaid utilizes the actual purchased drug price plus a PDF in the reimbursement methodology for drugs acquired via Nominal price.
4. Florida Medicaid reimburses for drugs purchased under the 340B program at the actual purchased drug price, which cannot exceed the 340B ceiling price, plus a dispensing fee of \$10.24. This provision only applies to covered entities, Indian Health Services, tribal organizations, urban Indian pharmacies and federally qualified health centers or the contracted agents that dispense drugs purchased at prices authorized under section 340B of the Public Health Service Act.

PREScribed DRUGS (continued)

5. Florida Medicaid reimburses for clotting factor to the vendors awarded the State's hemophilia contract at the negotiated price.
6. Florida Medicaid reimburses for covered prescribed drugs administered by a licensed practitioner in an office setting at WAC.
7. Florida Medicaid reimburses for covered prescribed drugs administered in an outpatient facility at WAC.
8. Florida Medicaid reimburses for covered prescribed drugs purchased under the 340B program administered in an outpatient facility at an amount not to exceed the 340B ceiling price.
9. Florida Medicaid does not reimburse for investigational or experimental drugs.

Amendment 2017-005
Effective: 4/1/2017
Supersedes 2016-008
Approval 09/22/17