

Table of Contents

State/Territory Name: MI

State Plan Amendment (SPA) #: 13-012 Pharmacy

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) Summary Form (with 179-like data)
- 3) Approved SPA Pages

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 & Elderly Health Programs Group**

November 6, 2013

Stephen Fitton
Director, Medical Services Administration
Actuarial Division
Capitol Commons Center – 7th Floor
400 South Pine Street
Lansing, Michigan 48933

Attn: Loni Hackney

Dear Mr. Fitton,

We reviewed the Michigan State Plan Amendment (SPA) TN 13-012 received on September 25, 2013. This amendment proposed a revision of the National Medicaid Pooling Initiative (NMPI) Supplemental Rebate Agreement (SRA) previously submitted to CMS on February 1, 2008 to include definitions and structural changes that would provide the option of including Medicaid managed care utilization for accrual of supplemental rebates.

We are pleased to inform you that the amendment is approved, effective October 1, 2013. We believe that the Michigan NMPI SRA continues to be consistent with the objectives of the Medicaid program. Please note that this authorization extends only to the revised SRA and attachments and schedules included in this approval packet which will replace the current SRA packet submitted to CMS on February 1, 2008. Inclusion of the managed care organization (MCO) utilization under the Michigan NMPI SRA is optional and at the sole discretion of each member state. If revisions are subsequently made to include MCO utilization for supplemental rebate collection or any other changes to the supplemental drug rebate agreement, attachments or schedules, all such documents should be submitted to CMS for review and approval.

A copy of the CMS-179 form as well as the pages approved for incorporation into the Michigan State plan will be forwarded to you by the Chicago Regional Office. If you have any questions regarding this SPA approval, please contact Emeka Egwim at (410) 786-1092.

Sincerely,

/s/

Larry Reed
Director
Division of Pharmacy

cc: Verlon Johnson, ARA, Chicago Regional Office
Trish O'Keefe, Michigan Department of Community Health
Leslie Campbell, Chicago Regional Office

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

13 - 12

2. STATE:

Michigan

3. PROGRAM IDENTIFICATION:

TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH FINANCING ADMINISTRATION
DEPARTMENT OF HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

October 1, 2013

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:

42 CFR 447.333(a)

7. FEDERAL BUDGET IMPACT:

a. FFY 2014 \$ 0

b. FFY 2015 \$ 0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Supplement to Attachment 3.1-A, Page 24 . /

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Supplement to Attachment 3.1-A, Page 24

10. SUBJECT OF AMENDMENT:

Pharmacy Rebate Agreements: Incorporating modifications and updates to the National Medicaid Pooling Initiative (NMPI)
SRA as requested by CMS.

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:

Stephen Fitton, Director

Medical Services Administration

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

Stephen Fitton

14. TITLE:

Director, Medical Services Administration

15. DATE SUBMITTED:

September 25, 2013

16. RETURN TO:

Medical Services Administration

Actuarial Division

Capitol Commons Center - 7th Floor

400 South Pine Street

Lansing, Michigan 48933

Attn: Loni Hackney

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

September 25, 2013

18. DATE APPROVED:

November 6, 2013

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

October 1, 2013

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPE NAME:

Verlon Johnson

22. TITLE:

Associate Regional Administrator

23. REMARKS:

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State of MICHIGAN

***Amount, Duration and Scope of Medical and Remedial Care
Services Provided to the Categorically and Medically Needy***

12. Drug Products, Dentures, Prosthetic and Orthotic Devices, Eyeglasses (continued)
- a. Drug Products (continued)
7. A drug use review program, including prospective and retrospective drug utilization review, has been implemented in compliance with federal law.
 8. Claims management is electronic, in compliance with federal law.
 9. The state is in compliance with Section 1927 of the Social Security Act Based on the requirements for Section 1927 of the Act, the state has the following policies for the supplemental rebate program for the Medicaid population:
 - (A) CMS has authorized the State of Michigan to enter into the Michigan multi-state pooling agreement (MMSPA) also referred to as the National Medicaid Pooling Initiative (NMPI) for drugs provided to Medicaid beneficiaries. The NMPI Supplemental Rebate Agreement (SRA) and the Amendment to the SRA submitted to CMS on February 1, 2008, have been authorized for pharmaceutical manufacturers' existing agreements through their current expiration dates. The updated NMPI SRA submitted to CMS on September 25, 2013, has been authorized for renewal and new agreements with pharmaceutical manufacturers for drugs provided to Medicaid beneficiaries.
 - (B) New contracts will be submitted to CMS for prior approval.
 - (C) Supplemental rebates received by the State 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) All drugs covered by the program, irrespective of a prior authorization requirement, will comply with provisions of the national drug rebate agreement.
- b. Dentures
- Dentures are a covered benefit for recipients under the EPSDT program if determined necessary by a licensed dentist (Item 10 of this attachment) to correct masticatory deficiencies likely to impair general health. Prior authorization is required. If the client has an existing denture, replacement is permissible only if the existing denture cannot be relined or rebased, whether or not the existing denture was obtained through the Michigan Medical Assistance Program.
- Reimbursement for complete or partial dentures includes the costs of any necessary adjustments within six months of insertion. Dentures will be replaced when medically necessary. Prior authorization is required.
- c. Prosthetic and Orthotic Devices
- Such devices are provided under the following conditions only:
1. when provided to a hospital inpatient, upon a physician's order indicating that the device is essential to the client's medical treatment plan; or,
 2. when prior authorized as medically necessary and provided on an outpatient basis or for a recipient in a long term care facility.

TN NO.: 13-12

Approval Date: 12/6/13

Effective Date: 10/01/2013

Supersedes

TN No.: 07-18