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State/Territory Name: Oklahoma

State Plan Amendment (SPA) #: 18-0008

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Approved Page

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 and Elderly Health Programs Group

June 27, 2018

Becky Pasternik-Ikard, Chief Executive Officer
Oklahoma Health Care Authority
4345 N. Lincoln Blvd.
Oklahoma City, OK 73105

Dear Mrs. Pasternik-Ikard:

We have reviewed Oklahoma State Plan Amendment (SPA) 18-0008, received in the Dallas Regional Office on March 29, 2018. This amendment proposes to revise the Oklahoma State plan to incorporate language that authorizes the state to negotiate supplemental rebate agreements for pharmaceuticals involving value-based purchasing arrangements with drug manufacturers.

Based on the information provided, we are pleased to inform you that, consistent with the regulations at 42 CFR 430.20, SPA 18-0008 is approved with an effective date of January 1, 2018. A copy of the signed CMS-179 form, as well as the pages approved for incorporation into the Oklahoma state plan will be forwarded by the Dallas Regional Office.

If you have any questions regarding this amendment, please contact Mickey Morgan at (410) 786-4048 or mickey.morgan@cms.hhs.gov.

Sincerely,

/s/

John M. Coster, PhD, RPh
Director, Division of Pharmacy

CC: Tywanda Cox, Oklahoma Health Care Authority
Sandra Puebla, Oklahoma Health Care Authority
Keri Wade, Oklahoma Health Care Authority
Kasie Wren, Oklahoma Health Care Authority
Bill Brooks, CMS Associate Regional Administrator
Stacey Shuman, CMS Regional Office

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER
1 8 - 0 8

2. STATE
Oklahoma

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

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

4. PROPOSED EFFECTIVE DATE
January 1, 2018

5. TYPE OF PLAN MATERIAL (Check One)

NEW STATE PLAN AMENDMENT TO BE CONSIDERED AS A 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 440.120; 42 CFR 447 Subpart I

7. FEDERAL BUDGET IMPACT
a. FFY 2018 \$ \$0
b. FFY 2019 \$ \$0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 3.1-A, Page 5a-1a

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)


Attachment 3.1-A, Page 5a-1a; TN # 16-30

10. SUBJECT OF AMENDMENT

Incorporating value-based purchasing contract for pharmaceuticals language to State Plan

11. GOVERNOR'S REVIEW (Check One)

GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED **The Governor does not review State Plan material.**
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL


13. TYPED NAME
Becky Pasternik-Ikard

14. TITLE
Chief Executive Officer

15. DATE SUBMITTED
March 29, 2018

16. RETURN TO

**Oklahoma Health Care Authority
Attn: Tywanda Cox
4345 N. Lincoln Blvd.
Oklahoma City, OK 73105**

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED
March 29, 2018

18. DATE APPROVED
June 27, 2018

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL
January 1, 2018

20. 

21. TYPED NAME
Bill Brooks

22. TITLE
**Associate Regional Administrator
Division of Medicaid and Children's Health (DMCH)**

23. REMARKS
**c: Becky Pasternik-Ikard
Tywanda Cox**

**AMOUNT, DURATION AND SCOPE OF MEDICAL AND REMEDIAL CARE AND SERVICES PROVIDED
CATEGORICALLY NEEDY**

12a. **Prescribed drugs, dentures, and prosthetic devices, and eyeglasses prescribed by a physician skilled in diseases of the eye or by an optometrist (continued).**

Tiered Drug List

The DUR Board will determine medical necessity for drugs covered under the Oklahoma tiered drug list and establish criteria for any prior authorization process. A preferred product, tiered drug list is utilized for certain categories of drugs. Drugs included in Tier One are generally available without additional documentation. A prior authorization process is available for drugs not included in Tier One.

Supplemental Drug Rebate

Pursuant to Section 1927 of the Act, the State has the following policies for Medicaid supplemental rebates:

A model agreement between the State and a drug manufacturer for drugs provided to the Medicaid population, submitted to CMS on January 2, 2004, and entitled “State of Oklahoma, Oklahoma Health Care Authority Supplemental Rebate Agreement” and subsequent revisions have been authorized by CMS.

Supplemental rebates received by the State in excess of those required under the national rebate agreement will be shared with CMS on the same percentage basis as applied under the national rebate agreement.

Drugs of manufacturers who do not participate in the supplemental rebate program will still be available to Medicaid recipients.

Beginning January 1, 2017, Oklahoma is part of the Sovereign States Drug Consortium (SSDC). SSDC will negotiate supplemental rebates for Oklahoma. The state retains all options to accept or reject offers. Drugs of manufacturers who do not participate in the supplemental rebate program will still be available to Medicaid recipients. The updated SSDC rebate agreement between the State and participating manufacturers for drugs provided to the Medicaid program, submitted to CMS on March 29, 2018 supersedes the SSDC rebate agreement approved in OK SPA 16-030. CMS has authorized the updated agreement. The updated agreement applies to drugs dispensed effective January 1, 2019.

Products for which a signed Medicaid State Supplemental Rebate Agreement is on file will have preferred status. This status may be reflected in the product’s placement in lower tiers of the Tiered Drug List, inclusion on a Preferred Drug List, or by removing a prior authorization requirement from the product.

The State may enter into value-based contracts with manufacturers on a voluntary basis. These contracts will be executed on the model agreement entitled “Value-Based Supplemental Rebate Agreement” submitted to CMS on March 29, 2018 and authorized for use beginning January 1, 2018.

State: Oklahoma
Date Received: 29 March, 2018
Date Approved: 27 June, 2018
Effective Date: 1 January, 2018
Transmittal Number: 18-08

Revised 01-01-18

TN# 18-08 Approval Date 06/27/18 Effective Date 01/01/18

Supersedes TN# 16-30