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**State Name:** Virginia

**State Plan Amendment (SPA) #:** 19-015

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) Pharmacy Approval Letter
- 3) CMS-179
- 4) Approved SPA Page

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
Center for Medicaid and CHIP Services  
801 Market Street, Suite 9400  
Philadelphia, Pennsylvania 19107



**Center for Medicaid and CHIP Services**

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SWIFT #120420194009

January 7, 2020

Karen Kimsey, Director  
Virginia Department of Medical Assistance Services  
600 East Broad Street, Suite 1300  
Richmond, VA 23219

Dear Ms. Kimsey:

The Centers for Medicare & Medicaid Services (CMS) has reviewed Virginia's State Plan Amendment (SPA) 19-015, Update to Supplemental Drug Rebate Agreement. CMS approved this SPA on January 3, 2020 and you were duly notified. This SPA proposes to amend the terms for which Virginia will collect supplemental rebates from drug manufacturers.

This SPA is acceptable. Therefore, we are approving SPA 19-015 with an effective date of October 1, 2019. Enclosed is the approved SPA page and signed CMS-179 form.

If you have further questions about this SPA, please contact Margaret Kosherzenko of my staff at 215-861-4288.

Sincerely,

/S/

Francis T. McCullough  
Deputy Group Director  
Financial Management Group

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**

January 3, 2020

Ms. Karen Kimsey, Director  
Department of Medical Assistance Services  
600 East Broad Street, #1300  
Richmond, Virginia 23219

Dear Ms. Kimsey:

We have reviewed Virginia's State Plan Amendment (SPA) 19-0015, Update to Supplemental Drug Rebate Agreement, received in the Philadelphia Regional Operations Group on November 1, 2019. This SPA proposes to amend the terms for which the state will collect supplemental rebates from drug manufacturers for the effective date of October 1, 2019.

Based on the information provided and consistent with the regulations at 42 CFR 430.20, we are pleased to inform you that SPA 19-0015 is approved with an effective date of October 1, 2019. Approval of the Virginia SPA 19-0015 extends only to Supplemental Drug Rebates. If changes are subsequently made to the supplemental rebate agreement or its attachments, a new SPA and any required documents should be submitted to CMS for review and authorization.

A copy of the signed CMS-179 form, as well as the pages approved for incorporation into Commonwealth of Virginia's state plan will be forwarded by the Philadelphia Regional Operations Group.

If you have any questions regarding this amendment, please contact Whitney Swears at (410) 786-5445 or [Whitney.Swears@cms.hhs.gov](mailto:Whitney.Swears@cms.hhs.gov).

Sincerely,

/s/

John M. Coster, Ph.D., R.Ph.  
Director, Division of Pharmacy

cc: Daniel Carey, M.D., Secretary of Health and Human Resources  
Emily McClellan, Regulatory Supervisor, Department of Medical Assistance Services  
Sabrina Tillman-Boyd, Branch East, Regional Operations Group  
Margaret Kosherzenko, Philadelphia Regional Operations Group

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

**DR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER

1 9 — 0 1 5

2. STATE

Virginia

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

10/1/2019

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 Part 440

7. FEDERAL BUDGET IMPACT

a. FFY 2019 \$ -0-  
b. FFY 2020 \$ -0-

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

3.1 A&B, Supplement 1, page 26.1 - revised

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

Same as box 8

10. SUBJECT OF AMENDMENT

Update to Supplemental Drug Rebate Agreement

GOVERNOR'S REVIEW (Check One)

- GOVERNOR'S OFFICE REPORTED NO COMMENT<sup>2019</sup>  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED

Secretary of Health and Human Resources

12. SIGNATURE OF STATE AGENCY OFFICIAL

[Redacted Signature] /S/

13. TYPED NAME

Karen Kimsey

14. TITLE

Director

15. DATE SUBMITTED

10-24-19

16. RETURN TO

Dept. of Medical Assistance Services  
600 East Broad Street, #1300  
Richmond VA 23219

Attn: Regulatory Coordinator

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED  
December 12, 2019

18. DATE APPROVED  
January 3, 2020

**PLAN APPROVED - ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL

October 1, 2019

20. SIGNATURE OF REGIONAL OFFICIAL

/S/

21. TYPED NAME

Francis T. McCullough

22. TITLE

Deputy Group Director Financial Management Group

23. REMARKS

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

State of VIRGINIA

AMOUNT, DURATION, AND SCOPE OF MEDICAL  
AND REMEDIAL CARE AND SERVICES PROVIDED TO THE CATEGORICALLY NEEDY  
and MEDICALLY NEEDY

- 
- e. Supplemental rebates. The Department has the authority to seek supplemental rebates from pharmaceutical manufacturers. In addition to collecting supplemental rebates for fee-for-service claims, the Department may, at its option, also collect supplemental rebates for Medicaid member utilization through MCOs under an agreement. Supplemental rebate agreements shall be separate from the federal rebates and in compliance with federal law, §§ 1927(a)(1) and 1927(a)(4) of the *Social Security Act* (Act). All rebates collected on behalf of the Commonwealth shall be collected for the sole benefit of the state share of the costs
- f. Pursuant to 42 U.S.C. § 1396r-8(b)(3)(D), information disclosed to the Department or to the Committee by a pharmaceutical manufacturer or wholesaler which discloses the identity of a specific manufacturer or wholesaler and the pricing information regarding the drugs by such manufacturer or wholesaler is confidential and shall not be subject to the disclosure requirements of the Virginia Freedom of Information Act (§[2.2-3700](#) *et seq.* of the Code of Virginia).
- g. Appeals for denials of prior authorization shall be addressed pursuant to 12VAC30-110, Part I, Client Appeals.
8. Coverage of home infusion therapy. This service shall be covered consistent with the limits and requirements set out within home health services (12 VAC 30-50-160). Multiple applications of the same therapy (e.g. two antibiotics on the same day) shall be covered under one service day rate of reimbursement. Multiple applications of different therapies (e.g. chemotherapy, hydration, and pain management on the same day) shall be covered under a full service day rate methodology as provided in pharmacy services reimbursement.
- 12b. Dentures.
- A. Provided only as a result of EPSDT and subject to medical necessity and preauthorization requirements specified under Dental Services.