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**State/Territory Name:** Wyoming

**State Plan Amendment (SPA) #:** WY-17-0002

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/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 and Elderly Health Programs Group**

October 6, 2017

Ms. Teri Green  
State Medicaid Agent  
Division of Healthcare Financing  
6101 Yellowstone Road, Suite 210  
Cheyenne, WY 82002

Dear Ms. Green:

We have reviewed Wyoming's State Plan Amendment (SPA) 17-0002 received in the Denver Regional Office on June 1, 2017. This SPA proposes to bring Wyoming into compliance with the reimbursement requirements in the Covered Outpatient Drug final rule with comment period (CMS-2345-FC).

SPA 17-0002 establishes reimbursement rates for covered outpatient drugs using an actual acquisition cost methodology and implements a \$10.65 professional dispensing fee. This SPA also includes reimbursement rates for 340B 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 Wyoming'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 17-0002 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 Wyoming's state plan will be forwarded by the Denver Regional Office. If you have any questions regarding this amendment, please contact Yolonda Williams at (410) 786-6618 or [yolonda.williams@cms.hhs.gov](mailto:yolonda.williams@cms.hhs.gov).

Sincerely,

A solid black rectangular box redacting the signature of the sender.

Meagan T. Khau  
Deputy Director  
Division of Pharmacy

CC: Richard C. Allen, ARA, CMS, Denver Regional Office  
Cori Cooper, Wyoming Division of Healthcare Finance

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>	1. TRANSMITTAL NUMBER:  WY17-0002	2. STATE WYOMING
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
FOR: HEALTH CARE FINANCING ADMINISTRATION		4. PROPOSED EFFECTIVE DATE April 1, 2017
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		

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 §447.512(b), §447.518(a), §447.518(d) Section 1902(a)(30)(A) of the Act	7. FEDERAL BUDGET IMPACT: a. FFY 2017    [\$370,869.50] b. FFY 2018    [\$759,739.00]
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19B, Section 12.a. Policy and Methods of Establishing Payment Rate for Each Type of Care Provided, Pharmacy Providers, Pages 1-3	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19B, Pages 1-3

10. SUBJECT OF AMENDMENT:

The purpose of this amendment is to update Attachment 4.19B, Section 12.a. regarding payment rates for pharmacy providers in order to comply with the Covered Outpatient Drug final rule with comment (CMS-2345-FC) (81 FR 5170). This amendment implements NADAC based reimbursement methodology for covered outpatient drugs and implements a professional dispensing fee of \$10.65 per prescription. Further, this amendment addresses reimbursement methodology for Indian Health Service Pharmacy providers and reimbursement structure for Physician Administered Drugs. Requirements for 340B entities are addressed, and non-coverage of 340B contract pharmacies is established.

11. GOVERNOR'S REVIEW (Check One):

GOVERNOR'S OFFICE REPORTED NO COMMENT                       OTHER, AS SPECIFIED: Delegated to Teri Green, State Medicaid Agent, Division of Healthcare Financing  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL: 	16. RETURN TO: TERI GREEN STATE MEDICAID AGENT DIVISION OF HEALTHCARE FINANCING 6101 YELLOWSTONE ROAD, SUITE 210 CHEYENNE, WY 82002
13. TYPED NAME: TERI GREEN	CC: CINDY TALLERDY, SENIOR ADMINISTRATIVE ASSISTANT (SAME ADDRESS)
14. TITLE: STATE MEDICAID AGENT	
15. DATE SUBMITTED: 4/24/17	

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:  April 24, 2017	18. DATE APPROVED:  October 6, 2017
19. EFFECTIVE DATE OF APPROVED MATERIAL:  April 1, 2017	20. SIGNATURE OF REGIONAL OFFICIAL: 
21. TYPED NAME:  Richard C. Allen	22. TITLE:  ARA, DMCHO

REMARKS:

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

State of WYOMING

## POLICY AND METHODS OF ESTABLISHING PAYMENT RATE FOR EACH TYPE OF CARE PROVIDED

## 12.a. PHARMACY PROVIDERS

1. Payment for covered outpatient legend and non-legend drugs dispensed by a retail community pharmacy will include the drug ingredient cost plus a \$10.65 professional dispensing fee. The drug ingredient cost reimbursement shall be the lowest of:

- a) The National Average Drug Acquisition Cost (NADAC) of the drug;
- b) When no NADAC is available, DHCF shall substitute Wholesale Acquisition Cost (WAC) + 0%;
- c) When neither NADAC nor WAC are available, DHCF shall substitute Average Wholesale Price (AWP)-11%;
- d) The Federal Upper Limit (FUL);
- e) The State Maximum Allowable Cost (SMAC);
- f) The Ingredient Cost submitted;
- g) The Gross Amount Due (GAD); or
- h) The provider's usual and customary (U&C) charge to the public, as identified by the claim charge.

Reimbursement for claims that pay at GAD or U&C will not include an additional \$10.65 dispensing fee as the cost to dispense should be included in the GAD and U&C as submitted on the claim.

2. Payment for specialty drugs not dispensed by a retail community pharmacy but dispense primarily through the mail will include the drug ingredient cost plus a \$10.65 professional dispensing fee. The drug ingredient cost reimbursement shall be the lowest of:

- a) The National Average Drug Acquisition Cost (NADAC) of the drug;
- b) When no NADAC is available, DHCF shall substitute Wholesale Acquisition Cost (WAC) + 0%;
- c) When neither NADAC nor WAC are available, DHCF shall substitute Average Wholesale Price (AWP)-11%;
- d) The Federal Upper Limit (FUL);
- e) The State Maximum Allowable Cost (SMAC);
- f) The Ingredient Cost submitted;
- g) The Gross Amount Due (GAD); or
- h) The provider's usual and customary (U&C) charge to the public, as identified by the claim charge.

Reimbursement for claims that pay at GAD or U&C will not include an additional \$10.65 dispensing fee as the cost to dispense should be included in the GAD and U&C as submitted on the claim.

3. Payment for drugs not dispensed by a retail community pharmacy (i.e., institutional or long-term care facility pharmacies) will include the drug ingredient cost plus a \$10.65 professional dispensing fee. The drug ingredient cost reimbursement shall be the lowest of:

- a) The National Average Drug Acquisition Cost (NADAC) of the drug;
- b) When no NADAC is available, DHCF shall substitute Wholesale Acquisition Cost (WAC) + 0%;

TN No. 17-0002 Approval Date 10/06/2017 Effective Date April 1, 2017

Supersedes

TN No. 01-004

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

State of WYOMING

## POLICY AND METHODS OF ESTABLISHING PAYMENT RATE FOR EACH TYPE OF CARE PROVIDED

- c) When neither NADAC nor WAC are available, DHCF shall substitute Average Wholesale Price (AWP)-11%;
- d) The Federal Upper Limit (FUL);
- e) The State Maximum Allowable Cost (SMAC);
- f) The Ingredient Cost submitted;
- g) The Gross Amount Due (GAD); or
- h) The provider's usual and customary (U&C) charge to the public, as identified by the claim charge.

Reimbursement for claims that pay at GAD or U&C will not include an additional \$10.65 dispensing fee as the cost to dispense should be included in the GAD and U&C as submitted on the claim.

4. Payment for clotting factor from specialty pharmacies, hemophilia treatment centers (HTC) and Centers of Excellence will include the drug ingredient cost plus a \$10.65 professional dispensing fee. The drug ingredient cost reimbursement shall be the lowest of:

- a) The National Average Drug Acquisition Cost (NADAC) of the drug;
- b) When no NADAC is available, DHCF shall substitute Wholesale Acquisition Cost (WAC) + 0%;
- c) When neither NADAC nor WAC are available, DHCF shall substitute Average Wholesale Price (AWP)-11%;
- d) The Federal Upper Limit (FUL);
- e) The State Maximum Allowable Cost (SMAC);
- f) The Ingredient Cost submitted;
- g) The Gross Amount Due (GAD); or
- h) The provider's usual and customary (U&C) charge to the public, as identified by the claim charge.

Reimbursement for claims that pay at GAD or U&C will not include an additional \$10.65 dispensing fee as the cost to dispense should be included in the GAD and U&C as submitted on the claim.

5. Entities that purchase products under Section 340B of the Public Health Service Act must request, in writing, to use these drugs for Wyoming Medicaid clients. 340B entities that request and are granted such an arrangement shall bill Medicaid no more than their actual acquisition cost (AAC) for the drug and will be reimbursed no more than the AAC plus a \$10.65 dispensing fee. 340B entities that fill Wyoming Medicaid client prescriptions with drugs not purchased under the Section 340B of the Public Health Services Act will be reimbursed in accordance with section 1 of this State Plan Amendment plus the \$10.65 professional dispensing fee.

5.1. Drugs acquired through the federal 340B drug price program and dispensed by 340B contract pharmacies are not covered.

6. Facilities purchasing drugs through the Federal Supply Schedule (FSS) or drug pricing program under 38 U.S.C. 1826, 42 U.S.C. 256b, or 42 U.S.C. 1396-8, other than 340B drug pricing program will be

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reimbursed no more than the actual acquisition cost for the drug plus a \$10.65 professional dispensing fee.

7. Facilities purchasing drugs a Nominal Price (outside of 340B or FSS) will be reimbursed no more than the actual acquisition cost for the drug plus a \$10.65 professional dispensing fee. Nominal Price as defined in §447.502 of the Code of Federal Regulation, Part 42 means a price that is less than 10 percent of the average manufacturer price (AMP) in the same quarter for which the AMP is computed.

8. Physician administered drugs (PADs) submitted under the medical benefit will be reimbursed at 100 percent of the Average Sales Price (ASP). PADs without an ASP on the CMS reference file will be reimbursed at an aggregate Wholesale Acquisition Cost (WAC) + 0% for the pertinent HCPCS code. PADs without an ASP or WAC will be reimbursed at an aggregate AWP for the HCPCS code. If it is clearly demonstrated by the provider that reimbursement at the ASP, WAC, or AWP rate will negatively impact a provider's ability to continue service delivery, the DHCF may reimburse for PADs up to 100% of the established Medicare rate for the same PAD. In accordance with section 5 above, covered entities using drugs purchased at the prices authorized under Section 340B of the Public Health Services Act for Medicaid members must bill Medicaid their actual acquisition cost (AAC).

9. Payment to all Indian Health Service, tribal, and urban Indian pharmacies shall be at the All Inclusive Rate (AIR) published annually in the Federal Register. One AIR reimbursement shall be made for each pharmacy claim paid by the Department. The applicable AIR shall be determined by the date of service submitted on the pharmacy claim. Pharmacies reimbursed using the AIR will not be eligible for a dispensing fee.

10. Investigational drugs are not a covered service under the Wyoming Medicaid program.

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