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State/Territory Name: Alaska

State Plan Amendment (SPA)#: AK-24-0011

This file contains the following documents in the order listed

1) Approval Letter
2) CMS 179 Form
3) Approved SPA 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

Medical Benefits Health Programs Group

March 13, 2025

Heidi Hedberg
Commissioner
Department of Health
3601 C Street, Suite 902
Anchorage, AK 99503-5923

Dear Commissioner Hedberg,

The CMS Division of Pharmacy team has reviewed Alaska's State Plan Amendment (SPA) 24-0011 received in the CMS Medicaid Services OneMAC application on December 31, 2024. This SPA proposes to allow Alaska to enter into value/outcome-based contracts with pharmaceutical manufacturers on a voluntary basis.

Based on the information provided and consistent with the regulations at 42 CFR 430.20, we are pleased to inform you that SPA AK-24-0011 is approved with an effective date of January 1, 2025. Our review was limited to the materials necessary to evaluate the SPA under applicable federal laws and regulations.

We are attaching a copy of the signed CMS-179 form, as well as the page approved for incorporation into Alaska's state plan. If you have any questions regarding this amendment, please contact Lisa Shochet at (410) 786-5445 or lisa.shochet@cms.hhs.gov.

Sincerely,

[redacted]

Cynthia Denemark, R.Ph.
Director
Division of Pharmacy

cc: Emily Ricci, Deputy Commissioner, Alaska Department of Health
Christal Hays, State Plan Coordinator, Alaska Department of Health
Charles Semling, Pharmacy Director, Alaska Department of Health
Maria Garza, Alaska State Lead, CMS, Medicaid and CHIP Operations Group

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

FORM APPROVED
OMB No. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES

1. TRANSMITTAL NUMBER: 24-0011

2. STATE: AK

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

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
January 1, 2025

5. FEDERAL STATUTE/REGULATION CITATION
42 CFR 447 Subpart I

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 25 $ 0
b. FFY 26 $ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Attached Sheet to Attachment 3.1A, page 4

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*
Attached Sheet to Attachment 3.1A, page 4 (AK 13-008)

9. SUBJECT OF AMENDMENT
This SPA allows the state to enter into value/outcome based contracts with pharmaceutical manufacturers.

10. 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:

11. S[redacted] GENCY OFFICIAL

12. TYPED N***E
Emily Ricci

13. TITLE
Deputy Commissioner & Medicaid Director

14. DATE SUBMITTED
December 30, 2024

15. RETURN TO
Dept of Health Commissioner's Office
c/o Christal Hays
3601 C Street, Suite 902
Anchorage, AK 99503

FOR CMS USE ONLY

16. DATE RECEIVED
December 31, 2024

17. DATE APPROVED
March 13, 2025

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
January 1, 2025

19. [redacted]

20. TYPED NAME OF APPROVING OFFICIAL
Cynthia Denemark, R.Ph.

21. TITLE OF APPROVING OFFICIAL
Director, Division of Pharmacy

22. REMARKS

(3) The following drugs are not covered:

a. drugs that are prohibited from receiving federal Medicaid matching funds under 42 CFR 441.25, as amended October 1, 1981;

b. drugs, except for birth control drugs and drugs listed in 12.a.(a)(l)(c) of this attachment if dispensed in an unopened container, for which more than a 30-day supply is ordered per prescription and

c. brand name multi-source drugs when a therapeutically equivalent generic drug is on the market unless the prescriber writes on the prescription "The brand-name medically necessary drug" or "allergic to the inert ingredients of the generic drug." The information may be submitted electronically or telephonically. Telephonic information must be documented by the prescriber in the recipient's record.

(4) The state will be negotiating supplemental rebates in addition to, and separate from, federal rebates authorized in Title XIX. The following supplemental rebate policies are in compliance with the requirements of Section 1927 of the Act:

a. The state complies with reporting requirements for utilization and restrictions to coverage. Pharmaceutical manufacturers can audit utilization data.

b. The unit rebate amount is confidential and cannot be disclosed for purposes other than rebate invoicing and verification.

c. CMS has authorized the State of Alaska to enter into the Michigan multistate 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 28, 2008 have been authorized for pharmaceutical manufacturers' existing agreements through their current expiration dates. The updated NMPI SRA submitted to CMS on September 16, 2013 has been authorized for renewal and new agreements with pharmaceutical manufacturers for drugs provided to Medicaid beneficiaries.

d. Supplemental rebates received by the state under these agreements in excess of those required under the national drug rebate agreements are shared with the federal government on the same percentage basis as applied under the national rebate agreements.

e. All drugs covered by the supplemental rebate program, regardless of any prior authorization requirement, comply with provisions of the national drug rebate program.

f. For drug classes under review by the Pharmacy and Therapeutics Committee (P&T), a manufacturer's payment of supplemental rebate(s) may result in its product being covered without documentation of medical necessity if it meets therapeutic equivalency criteria and is recommended by the committee.

g. The state may enter into value/outcomes-based contracts with manufacturers. The contracts will be executed on the model agreement or contract titled "Value-Based Supplemental Rebate Agreement" approved by the Centers for Medicaid and Medicare Services (CMS), effective on January 1, 2025.