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**State/Territory Name: Kansas**

**State Plan Amendment (SPA) #: KS-22-0036**

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**

**Disabled and Elderly Health Programs Group**

January 10, 2023

Sarah Fertig  
State Medicaid Director  
Kansas Department of Health and Environment  
Division of Health Care Finance  
Landon State Office Building  
900 SW Jackson, Room 900-N  
Topeka, KS 66612-1220

Dear Sarah Fertig:

The CMS Division of Pharmacy team has reviewed Kansas's State Plan Amendment (SPA) 22-0036, received in the CMS Division of Program Operations on December 13, 2022. This SPA proposes to revise the state's reimbursement rate for physician administered drugs such that it will continually align with the Medicare Part B fee schedule reimbursement rate.

Based on the information provided and consistent with the regulations at 42 CFR 430.20, we are pleased to inform you that KS-22-0036 is approved with an effective date of November 11, 2022. We are attaching a copy of the signed CMS-179 form, as well as the page approved for incorporation into Kansas's state plan.

If you have any questions regarding this state plan amendment, please contact Patti Nussle at 667-290-9587 or [Patricia.Nussle@cms.hhs.gov](mailto:Patricia.Nussle@cms.hhs.gov).

Sincerely,



Cynthia R. Denemark, R.Ph.  
Acting Director, Division of Pharmacy

cc: Bobbie Graff-Hendrixson, Kansas Department of Health and Environment  
William Stelzner, Kansas Department of Health and Environment  
William Thompson, Kansas Department of Health and Environment  
Michala Walker, CMS, Medicaid and CHIP Operations Group

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

1. TRANSMITTAL NUMBER <u>22</u> — <u>0036</u>	2. STATE <u>KS</u>
3. PROGRAM IDENTIFICATION: TITLE <u>XIX</u> OF THE SOCIAL SECURITY ACT	
4. PROPOSED EFFECTIVE DATE <b>November 11, 2022</b>	
5. FEDERAL STATUTE/REGULATION CITATION 42 CFR 447	6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY <u>2023</u> \$ <u>-143</u> b. FFY <u>2024</u> \$ <u>-81</u>
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT  Att. 4.19-B #12.a. Pg 1.2	8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Att. 4.19-B #12.a. Pg 1.2

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

9. SUBJECT OF AMENDMENT  
  
CMS informed the state that they have changed the Medicare Part B fee schedule calculations. The Physician Administered Drugs (PADS) reimbursement methodology will be revised to incorporate this change.

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:  
Sarah Fertig is the Governor's Designee

11. SIGNATURE OF STATE AGENCY OFFICIAL  
*Sarah Fertig*

12. TYPED NAME  
Sarah Fertig

13. TITLE  
State Medicaid Director

14. DATE SUBMITTED  
December 13, 2022

15. RETURN TO  
Sarah Fertig, State Medicaid Director  
KDHE, Division of Health Care Finance  
Landon State Office Building  
900 SW Jackson, Room 900-N  
Topeka, KS 66612-1220

**FOR CMS USE ONLY**

16. DATE RECEIVED  
December 13, 2022

17. DATE APPROVED  
January 10, 2023

**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL  
November 11, 2022

19. SIGNATURE  


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

21. TITLE OF APPROVING OFFICIAL  
Acting Director, Division of Pharmacy

22. REMARKS

# KANSAS MEDICAID STATE PLAN

Attachment 4.19-B  
#12.a.  
Page 1.2

## Prescribed Drugs Methods and Standards for Establishing Payment Rates

7. Physician Administered Drugs (PADS) submitted under the medical benefit, including those drugs purchased through the 340B program, will be reimbursed at Medicare Part B fee schedule rates. If a Medicare Part B fee schedule rate is not on file, its reimbursement basis will be WAC + 0%.
8. Covered Legend and non-legend drugs purchased through the Public Health Service's 340B Drug Pricing Program (340B) by pharmacies that carve Medicaid into the 340B Drug Pricing Program shall be reimbursed at the 340B actual invoice price, but no more than the 340B Ceiling Price plus a dispensing fee of \$10.50. Drugs acquired through the federal 340B drug pricing program and dispensed by 340B Contract Pharmacies will not be reimbursed.
9. Facilities purchasing drugs through the Federal Supply Scheduled (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 the 340B drug pricing program will be reimbursed no more than the acquisition cost price plus a professional dispensing fee of \$10.50.
10. Facilities purchasing drugs at Nominal Price (outside of 340B or FFS) will be reimbursed no more than the Nominal Price plus a professional dispensing fee of \$10.50.
11. Payment to Indian Health Services (IHS) and Tribal/Urban pharmacy providers will be no more than the acquisition cost plus a professional dispensing fee of \$10.50.
12. Investigational drugs are not a covered service under the Medicaid pharmacy program.