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State/Territory Name: Kansas

State Plan Amendment (SPA)#: KS-24-0022

This file contains the following documents in the order listed:

1) Approval Letter
2) CMS 179 Form/Summary Form
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

Medical Benefits Health Programs Group

December 11, 2024

Christine Osterlund
Medicaid Director
Division of Health Care Finance
Landon State Office Building
900 SW Jackson, Room 900-N
Topeka, KS 66612-1220

Dear Christine Osterlund,

The CMS Division of Pharmacy team has reviewed Kansas' State Plan Amendment (SPA) 24-0022 received in the CMS Medicaid Services OneMAC application on October 4, 2024. This SPA proposes to allow coverage of medically necessary prescribed drugs that are not covered outpatient drugs, including drugs authorized for import by the U.S. Food and Drug Administration (FDA), during drug shortages. This SPA also proposes to reimburse prescribed drugs, that are not considered covered outpatient drugs, with the same reimbursement methodologies as covered outpatient drugs.

Based on the information provided and consistent with the regulations at 42 CFR 430.20, we are pleased to inform you that SPA 24-0022 is approved with an effective date of October 1, 2024. 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 Kansas' state plan. If you have any questions regarding this amendment, please contact Charlotte Hammond at (410) 786-1092 or charlotte.hammond@cms.hhs.gov.

Sincerely,

Cynthia Denemark
Director, Division of Pharmacy

cc: William Stelzner, Kansas Department of Health and Environment
Mai Le-Yeun, CMS, Medicaid and CHIP Operations Group

FORM APPROVED
OMB No. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES

1. TRANSMITTAL NUMBER: 2 4 — 0 0 2 2

2. STATE: KS

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: October 1, 2024

5. FEDERAL STATUTE/REGULATION CITATION
42 CFR 440, 42 CFR 447

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 2025 $ 0
b. FFY 2026 $ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Att, 3.1-A, #12.a., Page 4a (New)
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

9. SUBJECT OF AMENDMENT
During drug shortages identified by the Food and Drug Administration, Kansas Medicaid will cover prescribed drugs that are not Covered Outpatient Drugs (including drugs that are authorized for import by the Food and Drug Administration) when medically necessary.

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: Christine Osterlund is the Governor's Designee

12. TYPED NAME
Christine Osterlund

13. TITLE
Medicaid Director

14. DATE SUBMITTED
October 1, 2024

15. RETURN TO
Christine Osterlund
Medicaid Director
Deputy Secretary of Agency Integration and Medicaid
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
10/04/2024

17. DATE APPROVED
12/11/2024

PLAN APPROVED - ONE CO

18. EFFECTIVE DATE OF APPROVED MATERIAL
10/01/2024

19. S

20. TYPED NAME OF APPROVING OFFICIAL
CYNTHIA DENEMARK

21. TITLE OF APPROVING OFFICIAL
DIRECTOR, DIVISION OF PHARMACY

22. REMARKS

INSTRUCTIONS FOR COMPLETING FORM CMS-179

Use Form CMS-179 to transmit State plan material to the Center for Medicaid & CHIP Services for approval. Submit a separate typed transmittal form with each plan/amendment.

Block 1 - Transmittal Number - Enter the State Plan Amendment transmittal number. Assign consecutive numbers on a **calendar year** basis with the first two digits being the two-digit year (e.g., 21-0001, 21-0002, etc.). Because states have different state fiscal years, a calendar year is required for consistency.

Block 2 - State - Enter the two-letter abbreviation code of the State/District/Territory submitting the plan material.

Block 3 - Program Identification - Enter the applicable Title of the Social Security Act (Title XIX Medicaid or Title XXI CHIP).

Block 4 - Proposed Effective Date - Enter the proposed effective date of material. The effective date of a new plan may not be earlier than the first day of the calendar quarter in which an approvable plan is submitted. With respect to expenditures for assistance under such plan, the effective date may not be earlier than the first day on which the plan is in operation on a statewide basis or earlier than the day following publication of notice of changes.

Block 5 - Federal Statute/Regulation Citation - Enter the appropriate statutory/regulatory citation.

Block 6 - Federal Budget Impact - 6(a) - IN WHOLE DOLLARS, NOT IN THOUSANDS, Enter 1st **Federal Fiscal Year** (FFY) impacted by the SPA & estimated Federal share of the cost of the SPA for 1st FFY. The first FFY should be the FFY inclusive of the earliest effective date of any amended payment language; **6 (b)** - Enter 2nd FFY impacted by the SPA & estimated Federal share of the cost for 2nd FFY. In general, the estimates should include any amount not currently approved in the state's plan for assistance.

Block 7 - Page No.(s) of Plan Section or Attachment - Enter the page number(s) of plan material amended and transmitted. If additional space is needed, use bond paper. **New pages** should be included in Block 7, but not in Block 8.

Block 8 - Page No.(s) of the Superseded Plan Section or Attachment (if Applicable) - Enter the page number(s) (including the transmittal number) that is being superseded. If additional space is needed, use bond paper. **Deleted pages** should be included in Block 8, but not in Block 7.

Block 9 - Subject of Amendment - Briefly describe plan material being transmitted.

Block 10 - Governor's Review - Check the appropriate box. See SMM section 13026 A.

Block 11 - Signature of State Agency Official - Authorized State official signs this block.

Block 12 - Typed Name - Type name of State official who signed block 11.

Block 13 - Title - Type title of State official who signed block 11.

Block 14 - Date Submitted - Enter the date that the state transmits plan material to CMCS. Unless the state officially withdraws this SPA and then resubmits it, this date should not be revised. Documentation of version revisions will be maintained in the CMCS administrative record.

Block 15 - Return To - Type the name and address of State official to whom this form should be returned.

Block 16–22 (FOR CMS USE ONLY).

Block 16 - Date Received - Enter the date plan material is received by CMCS. This is the date that the submission is received by CMCS via the subscribed submission process.

Block 17 - Date Approved - Enter the date CMCS approved the plan material.

Block 18 - Effective Date of Approved Material - Enter the date the plan material becomes effective. If more than one effective date, list each provision and its effective date in Block 22 or attach a sheet.

Block 19 - Signature of Approving Official - Approving official signs this block.

Block 20 - Typed Name of Approving Official - Type approving official's name.

Block 21 - Title of Approving Official - Type approving official's title.

Block 22 - Remarks - Use this block to reference and explain agreed to changes and strike-throughs to the original CMS-179 as submitted, a partial approval, more than one effective date, etc. If additional space is needed, use bond paper.

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB number for this information collection is 0938-0193. The time required to complete this information collection is estimated to average 1 hour per response, including the time to review instructions, searching existing data resources, gather the data needed, and complete and review the information collection. If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, Attn: PRA Reports Clearance Officer, 7500 Security Boulevard, Baltimore, Maryland 21224-1850.

Prescribed Drugs

Drug Shortages

Prescribed drugs that are not covered outpatient drugs (including drugs authorized for import by the Food and Drug Administration) are covered when medically necessary during drug shortages identified by the Food and Drug Administration.

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. Payment for prescribed drugs that are not considered covered outpatient drugs will follow the same reimbursement methodologies as covered outpatient drugs.

13. Investigational drugs are not a covered service under the Medicaid pharmacy program.