

Table of Contents

State/Territory Name: Maryland

State Plan Amendment (SPA) #: 20-0012

This file contains the following documents in the order listed

- 1) Approval Letter
- 2) CMS 179 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
Disabled and Elderly Health Programs Group

March 4, 2021

Mr. Dennis Schrader
Medicaid Director
Maryland Department of Health
201 W. Preston St., 5th Floor
Baltimore, MD 21201

Dear Mr. Schrader,

The CMS Division of Pharmacy team has reviewed Maryland's State Plan Amendment (SPA) 20-0012 received in the CMS Medicaid & CHIP Operations Group on December 16, 2020. This SPA proposes to update the Professional Dispensing Fees for Maryland Medicaid Community Pharmacists.

Based on the information provided and consistent with the regulations at 42 CFR 430.20, we are pleased to inform you that MD-20-0012 is approved with an effective date of February 1, 2021. We are attaching a copy of the signed CMS-179 form, as well as the pages approved for incorporation into Maryland's state plan.

If you have any questions regarding this request, please contact Michael Forman at 410-786-2666 or michael.forman@cms.hhs.gov.

Sincerely,



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

Cc: Tricia Roddy, Assistant Medicaid Director, Maryland Department Health
Katia Fortune, Maryland Department of Health (MDH)
Alison Donle, Maryland Department of Health (MDH)
Nina McHugh, Maryland Department of Health (MDH)
Athos Alexandrou, Maryland Department of Health (MDH)
Chukwuemeka Okoronkwo, Maryland Department of Health (MDH)
Dixit Shah, Maryland Department of Health (MDH)
Mangesh Joglekar, Maryland Department of Health (MDH)
Talbatha Myatt, CMS, Medicaid & CHIP Operations Group

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

1. TRANSMITTAL NUMBER <u>20</u> — <u>0012</u>	2. STATE MD
3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
4. PROPOSED EFFECTIVE DATE February 1, 2021	

TO: REGIONAL ADMINISTRATOR
CENTERS FOR MEDICARE & MEDICAID SERVICES
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 § 447.518(d)	7. FEDERAL BUDGET IMPACT a. FFY <u>2021</u> \$ <u>270</u> b. FFY <u>2022</u> \$ <u>405</u>
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Att. 4.19B pg 35-35A (20-0012)	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>) Att. 4.19B pg 35-35A (17-0004)

10. SUBJECT OF AMENDMENT

To 1) increase the professional dispensing fee rendered for covered services to pharmacies for participants in nursing facilities from \$11.49 to \$11.67 (\$0.18/rx rate increase) and 2) increase the professional dispensing fee rendered for covered services to pharmacies for individuals not residing in nursing facilities from \$10.49 to \$10.67 (\$0.18/rx rate increase).

11. GOVERNOR'S REVIEW (*Check One*)

- GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL 	16. RETURN TO Dennis Schrader Medicaid Director Maryland Department of Health 201 W. Preston St., 5th Floor Baltimore, MD 21201
13. TYPED NAME Tricia Roddy ✓	
14. TITLE Assistant Medicaid Director, Maryland Department of Health	
15. DATE SUBMITTED 12/16/2020	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED December 16, 2020	18. DATE APPROVED March 4, 2021
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PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL February 1, 2021	20. SIGNATURE OF REGIONAL OFFICIAL 
21. TYPED NAME John M. Coster	22. TITLE Director, Division of Pharmacy

23. REMARKS

A. Payment for Drugs shall be as follows:

1. Payment for covered outpatient legend and non-legend drugs dispensed by a retail community pharmacy shall be lower of:
 - a. The provider's usual and customary (U & C) charge to the public, as identified by the claim charge, or
 - b. The National Average Drug Acquisition Cost (NADAC) of the drug plus a Professional Dispensing Fee (PDF) of \$ 10.67 and when NADAC is unavailable:
 - i. The Wholesale Acquisition Cost (WAC) + 0% plus a PDF of \$ 10.67; or
 - ii. The Federal Upper Limit (FUL) plus a PDF of \$ 10.67; or
 - iii. The State Actual Acquisition Cost (SAAC) plus a PDF of \$ 10.67. SAAC is defined as the ingredient cost of any drug based upon a survey of providers' actual prices paid to acquire drug marketed or sold by specific manufacturers, when NADAC is unavailable.
2. Payment for specialty drugs not dispensed by a retail community pharmacy but dispensed primarily through the mail shall be lower of:
 - a. The provider's usual and customary (U & C) charge to the public, as identified by the claim charge, or
 - b. The National Average Drug Acquisition Cost (NADAC) of the drug plus a Professional Dispensing Fee (PDF) of \$ 10.67 and when NADAC is unavailable:
 - i. The Wholesale Acquisition Cost (WAC) + 0% plus a PDF of \$ 10.67; or
 - ii. The Federal Upper Limit (FUL) plus a PDF of \$ 10.67; or
 - iii. The State Actual Acquisition Cost (SAAC) plus a PDF of \$ 10.67.
3. Payment for drugs not dispensed by a retail community pharmacy (i.e., institutional or long-term care facility pharmacies) shall be the lower of:
 - a. The provider's usual and customary (U & C) charge to the public, as identified by the claim charge, or
 - b. The National Average Drug Acquisition Cost (NADAC) of the drug plus a Professional Dispensing Fee (PDF) of \$ 11.67 and when NADAC is unavailable:
 - i. The Wholesale Acquisition Cost (WAC) + 0% plus a PDF of \$ 11.67; or
 - ii. The Federal Upper Limit (FUL) plus a PDF of \$ 11.67; or
 - iii. The State Actual Acquisition Cost (SAAC) plus a PDF of \$ 11.67.
4. Payment for clotting factor from specialty pharmacies, hemophilia treatment centers (HTC) and Centers of Excellence shall be the lower of:
 - a. The provider's usual and customary (U & C) charge to the public, as identified by the claim charge, or

- b. Wholesale Acquisition Cost (WAC) + 0% plus a Professional Dispensing Fee (PDF) of \$ 10.67; or
 - c. The Actual Acquisition Cost (AAC) + 8% plus a PDF of \$ 10.67. AAC is defined as the ingredient cost of clotting factor and is calculated based on the invoices submitted to the Program by the providers.
5. 340B covered entities and Federally Qualified Health Centers (FQHCs) that fill Medicaid member prescriptions with drugs purchased at the prices authorized under Section 340B of the Public Health Services Act will be reimbursed no more than the Actual Acquisition Cost for the drug plus a \$ 12.12 Professional Dispensing Fee. 340B covered entities that fill Medicaid member prescriptions with drugs not purchased under the Section 340B of the Public Health Services Act will be reimbursed in accordance to section (A) (1) – (4).
 6. Drugs purchased through the Federal Supply Schedule (FSS) will be reimbursed no more than the Actual Acquisition Cost for the drug plus a \$ 10.67 Professional Dispensing Fee.
 7. Drugs purchased at Nominal Price (outside of 340B or FSS) will be reimbursed no more than the Actual Acquisition Cost for the drug plus a \$ 10.67 Professional Dispensing Fee.
 8. Physician administered drugs (PADs) submitted under the medical benefit will be reimbursed at the provider's acquisition cost. PADs purchased at the prices authorized under Section 340B of the Public Health Services Act and submitted by FQHCs under the medical benefit will be part of all-inclusive payment rate.
 9. Investigational drugs are not a covered service under the Maryland Medicaid.