



Center for Medicaid and CHIP Services

Disabled and Elderly Health Programs Group

August 14, 2020

Ms. Kate Massey
Medical Services Administration
Michigan Department of Health and Human Services
Actuarial Division - Federal Liaison
Capitol Commons Center - 7th Floor
400 South Pine
Lansing, Michigan 48933

Dear Ms. Massey:

The CMS Division of Pharmacy team has reviewed Michigan State Plan Amendment (SPA) 20-0006 received in the CMS Division of Program Operations on June 30, 2020. This SPA proposes to establish a single Preferred Drug List (PDL) for Michigan Medicaid Pharmacy coverage.

Based on the information provided and consistent with the regulations at 42 CFR 430.20, we are pleased to inform you that SPA 20-0006 is approved with an effective date of October 1, 2020. A copy of the signed CMS-179 form, as well as the pages approved for incorporation into Michigan's state plan, will be forwarded by the CMS Division of Program Operations.

If you have any questions regarding this request, please contact Justin Aplin at (410) 786-6901 or justin.aplin@cms.hhs.gov.

Sincerely,

/s/

Cynthia R. Denemark, R.Ph.
Deputy Director
Division of Pharmacy
DEHPG/CMCS/CMS

cc: Erin Black, Federal Liaison, Michigan Department of Health and Human Services
James G. Scott, Division Director, CMS Division of Program Operations
Mary Anne Rhoades, CMS Division of Program Operations
Nicole McKnight, CMS Division of Program Operations
Keri Toback, CMS Division of Program Operations

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

20 - 0006

2. STATE:

Michigan

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

TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH FINANCING ADMINISTRATION
DEPARTMENT OF HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

October 1, 2020

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:
Sections 1902 and 1903 of the Social Security Act

7. FEDERAL BUDGET IMPACT:

a. FFY 2020 (\$150,900,000)

b. FFY 2021 (\$185,730,000)

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Supplement to Attachment 3.1-A Page 24

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (*If Applicable*):

Supplement to Attachment 3.1-A Page 24

10. SUBJECT OF AMENDMENT:

The purpose of this SPA is to establish a single Preferred Drug List (PDL) for Michigan Medicaid Pharmacy coverage.

11. 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:

Kate Massey, Director

Medical Services Administration

12. SIGNATURE OF STATE AGENCY OFFICIAL:



13. TYPED NAME:

Kate Massey

14. TITLE:

Director, Medical Services Administration

15. DATE SUBMITTED:

June 30, 2020

16. RETURN TO:

Medical Services Administration
Actuarial Division - Federal Liaison
Capitol Commons Center - 7th Floor
400 South Pine
Lansing, Michigan 48933

Attn: Erin Black

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

18. DATE APPROVED:

August 14, 2020

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

October 1, 2020

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPE NAME:

Ruth A. Hughes

22. TITLE:

Acting Director, Division of Program Operations

23. REMARKS:

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of Michigan

***Amount, Duration and Scope of Medical and Remedial Care
Services Provided to the Categorically and Medically Needy***

12. Drug Products, Dentures, Prosthetic and Orthotic Devices, and Eyeglasses

a. Drug Products

1. Drug products are covered when prescribed or ordered by a physician, dentist or other licensed practitioner within the scope of his/her practice and when obtained from a licensed pharmacy.
2. Coverage of selected legend and over the counter products from manufacturers that have not entered into or have in effect a rebate agreement as required are limited to those products essential to the health of the beneficiary and that have an 1-A rating by the Food and Drug Administration. Coverage requires prior authorization.
3. Prior authorization may be applied to any drug product, in compliance with federal law.
 - A. A request for prior authorization is processed within 24 hours of receipt.
 - B. A 72-hour supply of medically necessary covered drug products is provided in an emergency situation.
4. Drug products may be restricted from coverage when use is not for medically accepted indication or when the drug is excluded from Michigan's drug product list, in compliance with federal law. THE PREFERRED DRUG LIST IS FOR ALL STATE OF MICHIGAN MEDICAID BENEFICIARIES RECEIVING PHARMACY BENEFITS.
5. To provide economies and efficiencies in the Medicaid program, the state applies the same prior authorization requirements and supplemental rebate provisions utilized in the Medicaid program to its Maternity Outpatient Medical Services (MOMS) state sponsored non-Medicaid pharmacy program. By applying the same provisions to this program, the state is able to maintain the current level of Pharmacy benefits to the Medicaid population. Furthermore, providing pharmacy benefits to the financially needy potential Medicaid population improves the overall health status of this population, thereby slowing their rate of enrollment for full Medicaid benefits. The non-Medicaid pharmacy program population affected is the MOMS program, as in effect on October 2002 and as consistent with documentation provided to CMS related to submission of SPA TN 02-19. Individuals in the MOMS program include teenagers age 17 and under, who because of confidentiality concerns, choose not to apply for Medicaid. These individuals are likely to be Medicaid eligible, but the prenatal care offered through MOMS, including the pharmacy benefits offer the opportunity for prenatal care to be given without providing the complete Medicaid benefit.
6. Other drug restrictions include: i) dosage and quantity limits ii) refill limits iii) other parameters necessary to ensure appropriate utilization or to prevent fraud and abuse.

TN NO.: 20-0006

Approval Date: 08/14/2020

Effective Date: 10/01/2020

Supersedes

TN No.: 06-10