

# **Table of Contents**

**State/Territory Name: New Jersey**

**State Plan Amendment (SPA) #: 21-0014**

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**

**Disabled and Elderly Health Programs Group**

March 4, 2022

Ms. Jennifer Langer Jacobs  
Assistant Commissioner  
New Jersey Division of Medical Assistance and Health Services  
P.O. Box 712, Mail Code #26  
Trenton, NJ 08625-0712

Dear Ms. Jacobs:

The CMS Division of Pharmacy team has reviewed New Jersey's State Plan Amendment (SPA) 21-0014 received in the CMS Medicaid & CHIP Operations Group on December 27, 2021. This SPA proposes to update the reimbursement methodology for Physician-Administered Drugs.

Based on the information provided and consistent with the regulations at 42 CFR 430.20, we are pleased to inform you that SPA 21-0014 is approved with an effective date of November 9, 2021. 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 New Jersey's state plan. If you have any questions regarding this amendment, please contact Charlotte Amponsah at (410) 786-1092 or [charlotte.amponsah@cms.hhs.gov](mailto:charlotte.amponsah@cms.hhs.gov)

Sincerely,

A solid black rectangular box redacting the signature of John M. Coster.

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

cc: Sarah Adelman, Acting Commissioner, NJ Div. of Medical Assistance & Health Services  
Julie Hubbs, Regulatory Officer, NJ Div. of Medical Assistance & Health Services  
Terri, Fraser, CMS Division of Program Operations – East Branch

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

1. TRANSMITTAL NUMBER

2 1 — 0 0 1 4

2. STATE

NJ

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

November 9, 2021

5. FEDERAL STATUTE/REGULATION CITATION

42 CFR 447.518

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2022 \$ 0  
b. FFY 2023 \$ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-B Page 10g

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

Same

9. SUBJECT OF AMENDMENT

Pharmacy Reimbursement- Physician Administered Drugs

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. SIGNATURE OF STATE AGENCY OFFICIAL

12. TYPED NAME  
Sarah Adelman

13. TITLE  
Acting Commissioner, Department of Human Services

14. DATE SUBMITTED  
12/27/21

15. RETURN TO

Jennifer Langer Jacobs, Assistant Commissioner  
Division of Medical Assistance and Health Services  
P.O. Box 712, Mail Code #26  
Trenton, NJ 08625-0712

**FOR CMS USE ONLY**

16. DATE RECEIVED  
DECEMBER 27, 2021

17. DATE APPROVED  
3/4/2022

**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL  
NOVEMBER 9, 2021

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL  
JOHN COSTER

21. TITLE OF APPROVING OFFICIAL  
DIRECTOR

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.

**STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
STATE OF NEW JERSEY  
REIMBURSEMENT FOR PHARMACEUTICAL SERVICES**

1.23 Physician-Administered Drugs-Ingredient Cost

(a) Reimbursement for physician and outpatient-administered drugs shall be the lowest price determined by the payment formulas described below:

- a drug or Long-Acting Reversible Contraceptive (LARC) Wholesale Acquisition Cost (WAC) less a discount of one (1) percent,
- the Federal Upper Limit (FUL) price for covered outpatient drugs (see <https://www.medicaid.gov/medicaid/prescription-drugs/pharmacy-pricing/index.html>),
- the State Upper Limit (SUL) price for covered outpatient drugs (see <http://www.njsul.com/>), or
- the actual drug acquisition cost, as billed in the submitted charge field (in the case of a drug dispensed from 340B inventory, this will be the 340B acquisition price).

21-0014 MA (NJ)

---

TN: 21-0014

Approval Date: 3/4/2022

Supersedes: 17-0002

Effective Date: 11/9/2021