

## **Table of Contents**

**State/Territory Name: Oregon**

**State Plan Amendment (SPA)#: 24-0019**

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**  
**Medicaid Benefits and Health Programs Group**

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October 22, 2024

Emma Sandoe, PhD  
Director, Oregon Health Authority  
Medical Assistance Programs  
500 Summer Street Northeast, E-65  
Salem, OR 97301-1079

Dear Dr. Sandoe,

The CMS Division of Pharmacy team has reviewed Oregon's State Plan Amendment (SPA) 24-0019 received in the CMS OneMAC application on September 18, 2024. This SPA proposes to update Oregon's professional dispensing fees (PDF) to \$16.87 for pharmacies with a prescription volume of less than 40,000 claims per year, \$11.93 for pharmacies with a prescription volume of 40,000 to 79,999 claims per year, and \$9.99 for pharmacies with a prescription volume of 80,000 or more.

This SPA also proposes that the PDF for 340B covered entities will be \$20.86, regardless of volume. Critical Access Pharmacies (CAP) are proposed to be reimbursed at the lowest volume tier, regardless of volume, and pharmacies (other than Indian Health Service or Tribal 638 pharmacies) that fail to respond to the annual survey will default to the highest volume tier.

In keeping with the requirements of section 1902 (a)(30)(A) of the Social Security Act, we believe the state has demonstrated that their reimbursement is consistent with efficiency, economy, and quality of care, and are sufficient to ensure that care and services are available to Medicaid beneficiaries at least to the extent they are available to the general population in the geographic area. We believe that there is evidence regarding the sufficiency of Oregon's pharmacy provider network at this time to approve SPA 24-0019. Specifically, Oregon has reported to CMS that 632 of the state's 698 licensed in-state retail pharmacies are enrolled in Oregon's Medicaid program. With a 91% percent participation rate, we can infer that Oregon's beneficiaries will have access to pharmacy services at least to the extent available to the general population since Medicaid requires that beneficiaries be provided access to all covered outpatient drugs of participating drug manufacturers with a rebate agreement through a broad pharmacy network. In contrast, commercial insurers often have more limited drug formularies and a more limited pharmacy network.

Based on the information provided and consistent with the regulations at 42 CFR 430.20, we are pleased to inform you that SPA 24-0019 is approved with an effective date of November 1, 2024.

We are attaching a copy of the signed CMS-179 form, as well as the pages approved for incorporation into Oregon'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](mailto:michael.forman@cms.hhs.gov).

Sincerely,



Cynthia R. Denmark, R.Ph.  
Director, Division of Pharmacy

cc: Jesse Anderson, Oregon Health Authority  
Nikki Lemmon, CMS, Division of Program Operations

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

1. TRANSMITTAL NUMBER

2 4 — 0 0 1 9

2. STATE

OR3. 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

11/1/24

5. FEDERAL STATUTE/REGULATION CITATION

42 CFR 447 Subpart I

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2025 \$ 3,240,851b. FFY 2026 \$ 3,535,474

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-B, page 3-d

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

Attachment 4.19-B, page 3-d

9. SUBJECT OF AMENDMENT

This transmittal is being submitted to increase the prescription drug professional dispensing fee to pharmacies.

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

Emma Sandoe, PhD

13. TITLE

Medicaid Director

14. DATE SUBMITTED

9/18/24

15. RETURN TO

Oregon Health Authority  
Medical Assistance Programs  
500 Summer Street NE E-65  
Salem, OR 97301

ATTN: Jesse Anderson, State Plan Manager

**FOR CMS USE ONLY**

16. DATE RECEIVED

9/18/24

17. DATE APPROVED

10/22/24

**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL

11/01/24

19. SIGNATURE

20. TYPED NAME OF APPROVING OFFICIAL

Cynthia Denemark, R.Ph.

21. TITLE OF APPROVING OFFICIAL

Director, Division of Pharmacy

22. REMARKS

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: OREGON

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES

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12. Prescribed Drugs (continued)

L. Professional Dispensing Fees

(1) The Authority establishes professional dispensing fee payments based on the survey results of pharmacies. The professional dispensing fee structure for non-340B pharmacies will be one of 3 rate tiers. A separate professional dispensing fee will apply to 340B pharmacies.

The Authority or its designated representative will conduct an annual survey of every Enrolled pharmacy to determine which tier the pharmacy will be paid.

(2) Based upon the annual volume of the enrolled pharmacy, the professional dispensing fee for non-340B pharmacies will be as follows:

- Low volume pharmacies (Less than 40,000 claims a year) = \$16.87
- Mid volume pharmacies- (40,000 and 79,999 claims per year) = \$11.93
- High volume pharmacies (80,000 or more claims per year) = \$9.99

(3) Notwithstanding subsection (2) of this state plan, a Critical Access Pharmacy (CAP) as defined in OAR 431-121-2000(4) shall be reimbursed at the lowest volume tier regardless of volume.

(4) All 340B pharmacies operated by a 340B covered entity shall be reimbursed at \$20.86 regardless of volume.

(5) Pharmacies other than IHS or Tribal 638 pharmacies that fail to respond to the annual survey will default to the highest volume professional dispensing fee tier.

(6) Pharmacies dispensing through a unit dose or 30-day card system must bill OHA only one dispensing fee per medication dispensed in a 30-day period.

(7) Professional dispensing fee tiers are applicable to all pharmacies: retail independent, Institutional, mail order, and compounding.