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State/Territory Name: Rhode Island

State Plan Amendment (SPA)#: 25-0004

This file contains the following documents in the order listed

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-14-26
Baltimore, Maryland 21244-1850

CENTERS FOR MEDICARE & MEDICAID SERVICES
CENTER FOR MEDICAID & CHIP SERVICES

Medicaid Benefits and Health Programs Group

May 27, 2025

Richard Charest, R.Ph, MBA, Secretary
Executive Office of Health and Human Services
3 West Road, Virks Building
Cranston, RI 02920

Dear Richard Charest,

We have reviewed Rhode Island's State Plan Amendment (SPA) 25-0004 received in the Centers for Medicare and Medicaid Services (CMS) OneMAC application on March 7, 2025. This amendment authorizes the state to enter into value-based supplemental drug rebate agreements on a voluntary basis.

Based on the information provided and consistent with the regulations at 42 CFR 430.20, we are pleased to inform you that RI-25-0004 is approved with an effective date of January 1, 2025.

We are attaching a copy of the signed CMS-179 form, as well as the pages approved for incorporation into the Rhode Island state plan. If you have any questions regarding this amendment, please contact Olawonuola Kwakoudzi at Olawonuola.kwakoudzi@cms.hhs.gov

Sincerely,

[redacted]

Mickey Morgan
Acting Director
Division of Pharmacy

cc: Kristin Sousa, RI Medicaid, Interim Medicaid Program Director
Kathryn Thomas, RI Medicaid, Senior Economic and Policy Analyst
Joyce Butterworth, CMS, Medicaid and CHIP Operations Group

DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

FORM APPROVED
OMB No. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES

1. TRANSMITTAL NUMBER: 25-0004

2. STATE: RI

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
January 1, 2025

5. FEDERAL STATUTE/REGULATION CITATION
42 CFR 447.502

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
Attachment 3.1-A Supplement to Page 5

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*
Attachment 3.1-A Supplement to Page 5 (TN: 13-012)

9. SUBJECT OF AMENDMENT
Value-Based Purchasing Supplemental Rebate Agreements

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:

[redacted] OFFICIAL

12. TYPED NAME
Richard Carest

13. TITLE
Secretary, EOHHS

14. DATE SUBMITTED
3/7/25

15. RETURN TO
EOHHS
3 West Road
Cranston, RI 02920

FOR CMS USE ONLY

16. DATE RECEIVED
March 7, 2025

17. DATE APPROVED
May 27, 2025

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
January 1, 2025

19. SIGNATURE OF APPROVING OFFICIAL
[redacted]

20. TYPED NAME OF APPROVING OFFICIAL
Mickey Morgan

21. TITLE OF APPROVING OFFICIAL
Acting Director, Division of Pharmacy

22. REMARKS

Instructions on Back

Limitations

12.a Prescribed Drugs

Pursuant to 42 U.S.C. section 1396r-8 the state is establishing a preferred drug list with prior authorization for drugs not included on the preferred drug list. Reimbursement is available for covered outpatient drugs of any manufacturer that has entered into and complied with an agreement under Section 1927(a) of Title XIX of the Social Security Act, which are prescribed for a medically accepted indication. Drugs subject to limitations are those outlined under Section 1927(d)(4) of Title XIX of the Social Security Act.

The state is in compliance with reporting requirements for utilization and restrictions to coverage. Pharmaceutical manufacturers can audit utilization data. The unit rebate amount is confidential and cannot be disclosed for purposes other than rebate invoicing and verification, in accordance with Section 1927(b)(3)(D) of the Social Security Act.

The state will negotiating supplemental rebates in the Medicaid program in addition to the Federal rebates provided for in Title XIX. Rebate agreements between the state and pharmaceutical manufacturer(s) will be separate from the Federal rebates.

CMS has authorized the State of Rhode Island to enter into the Michigan multi-state pooling agreement (MMSPA) also, referred to as the National Medicaid Pooling Initiative (NMPI) for drugs provided to the Medicaid program. The Supplemental Drug Rebate Agreement was submitted to the Centers for Medicare and Medicaid Services (CMS) on March 29, 2007 and has been reviewed and authorized by CMS. An update to the Supplemental Drug Rebate Agreement was submitted to CMS for approval in September 2013. Any additional versions of rebate agreements negotiated between the state and manufacturer(s) will be submitted to CMS for authorization. Any contracts or agreements with pharmaceutical manufacturers not approved by CMS will be submitted for CMS.

Effective January 1, 2025, CMS has authorized the State of Rhode Island to enter into value-based contracts with manufacturers on a voluntary basis. The conditions of the value-based contracts would be agreed upon by both the state and the manufacturer.

Supplemental rebates received by the State in excess of those required under the National Drug Rebate Agreement will be shared with the Federal government on the same percentage basis as applied under the national rebate agreement.

All drugs covered by the program irrespective of a prior authorization requirement will comply with the provisions of the national drug rebate agreement.