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State/Territory Name: Texas

State Plan Amendment (SPA)#: TX-25-0023

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

Medical Benefits Health Programs Group

November 12, 2025

Emily Zalkovsky
State Medicaid Director
Texas Health and Human Services Commission (HHSC)
P.O. Box 13247
Austin, TX 78711-3247

Dear Director Zalkovsky:

The CMS Division of Pharmacy team has reviewed Texas State Plan Amendment (SPA) 25-0023 received in the CMS Medicaid Services OneMAC application on August 18, 2025. This SPA proposes to allow the state to cover prescribed drugs that are not covered outpatient drugs when medically necessary during drug shortages identified by the Food and Drug Administration.

Based on the information provided and consistent with the regulations at 42 CFR 430.20, we are pleased to inform you that SPA 25-0023 is approved with an effective date of July 1, 2025. 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 revised, signed CMS-179 form, as well as the pages approved for incorporation into Texas' state plan. If you have any questions regarding this amendment, please contact Lisa Shochet at (410) 786-5445 or Lisa.Shochet@cms.hhs.gov.

Sincerely,

[redacted]

Mickey Morgan
Deputy Director
Division of Pharmacy

cc: Ford J. Blunt III, Texas State Lead, Medicaid and CHIP Operations Group, CMS

DEPARTMENT OF HEALTH ANDHUMAN 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: 25-0023

2. STATE: TX

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

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

July 1, 2025

5. FEDERAL STATUTE/REGULATION CITATION

42 U.S. Code § 1396r–8 (d)(4)(D)

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

Appendix 1 to Attachment 3.1-A
Page 24
Appendix 1 to Attachment 3.1-B
Page 24

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*

Appendix 1 to Attachment 3.1-A
Page 24 (TN 15-0022)
Appendix 1 to Attachment 3.1-B
Page 24 (TN 15-0022)

9. SUBJECT OF AMENDMENT

The purpose of the amendment is to add coverage and reimbursement for an alternative prescribed drug that does not meet the definition of a covered outpatient drug when medically necessary during a nationwide drug shortage of the covered outpatient drug the alternative prescribed drug is replacing. The drug shortage must be identified by the Food and Drug Administration Drug Shortages database~~, or the American Society of Health-System Pharmacists~~. Reimbursement for drugs covered during a drug shortage will use the existing payment methodology for covered outpatient drugs and will be subject to the same requirements and limitations, such as prior authorization.

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: Sent to Governor's Office this date. Comments, if any, will be forwarded upon receipt.

11. SIGNATURE OF STATE AGENCY OFFICIAL

[redacted]

12. TYPED NAME
Emily Zalkovsky

13. TITLE
State Medicaid Director

14. DATE SUBMITTED
August 18, 2025

15. RETURN TO

Emily Zalkovsky
State Medicaid Director
Post Office Box 13247, MC: H-100
Austin, Texas 78711

FOR CMS USE ONLY

16. DATE RECEIVED
August 18, 2025

17. DATE APPROVED
November 12, 2025

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
July 1, 2025

19. SIGNATURE OF APPROVING OFFICIAL

[redacted]

20. TYPED NAME OF APPROVING OFFICIAL
Mickey Morgan

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

22. REMARKS

11/11/2025 – The state authorized a Pen & Ink change to Box 9, removing the following language: "or the American Society of Health-System Pharmacists."

12a. Prescribed Drugs

Prescribed drugs are limited as follows:

(a) Number of Prescriptions: Each eligible recipient is entitled to a basic number of prescriptions each month.

(b) Number of Refills: As many as 11 refills may be authorized by the prescriber, but the total number authorized must be dispensed within 12 months of the date of the original prescription subject to state and federal laws for controlled substance drugs.

(c) Coverage of Drugs

(1) Texas Drug Code Index (TDCI): The state will reimburse only for the drugs of pharmaceutical manufacturers who have entered into and have in effect a rebate agreement in compliance with Section 1927 of the Social Security Act, unless the exceptions in Section 1902(a)(54), 1927(a)(3) or 1927(d) apply. The state permits coverage of participating manufacturers' drugs, even though it may be using other restrictions. The prior authorization program provides for a 24-hour turnaround from receipt of the request for prior authorization. The prior authorization program also provides for a 72-hour supply of drugs in emergency situations.

(2) Drug Shortages: Prescribed drugs that are not covered outpatient drugs are covered when medically necessary during drug shortages identified by the Food and Drug Administration.

(d) Prior Authorization Procedures: A health care practitioner who prescribes a drug that is not included on the Preferred Drug List (PDL) for a Medicaid recipient must request prior authorization of the drug to the state agency or its designee. Specific procedures for the submission of requests for prior authorization will be available both on the Health and Human Services Commission's (HHSC) Internet website and in printed form. A health care practitioner may request a printed copy of the procedures and forms from HHSC. This prior authorization requirement does not apply to a newly enrolled Medicaid recipient until the 31st calendar day after the date of the determination of the recipient's Medicaid eligibility.

(e) Preferred Drug List: The state agency will consider a drug listed on the TCDI for inclusion in the PDL based on the following factors:

(1) The recommendations of the DUR Board;
(2) The clinical efficacy of the drug consistent with the determination of the Food and Drug Administration and the recommendations of the DUR Board;
(3) Comparison of the price of the drug and the price of competing drugs to the Texas Medicaid outpatient drug program

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