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State/Territory Name: Utah

State Plan Amendment (SPA) #: 22-0010

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

January 11, 2023

Jennifer Strohecker
State Medicaid Director
Division of Integrated Healthcare
Utah Department of Health & Human Services
P.O. Box 144102
Salt Lake City, UT 84114-4102

Dear Jennifer Strohecker,

The CMS Division of Pharmacy team has reviewed Utah's State Plan Amendment (SPA) 22-0010 received in the CMS Medicaid & CHIP Operations Group on October 18, 2022. This SPA proposes to amend the reimbursement methodology for provider-administered drugs from the Average Sale Price (ASP) Drug Pricing File to the same methodology as other covered outpatient drugs, with the exception that no professional dispensing fee will be paid. This SPA also replaced the term Utah Estimated Acquisition Cost (UEAC) with Wholesale Acquisition Cost (WAC).

Based on the information provided and consistent with the regulations at 42 CFR 430.20, we are pleased to inform you that SPA 22-0010 is approved with an effective date of April 3, 2023. 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, revised CMS-179 form, as well as the pages approved for incorporation into Utah's state plan. If you have any questions regarding this amendment, please contact Terry Simananda at (410) 786-8144 or terry.simananda@cms.hhs.gov.

Sincerely,



Cynthia R. Denemark, R.Ph.
Acting Director
Division of Pharmacy

cc: Craig Devashrayee, Utah Dept. of Health & Human Services
Lisa Angelos, Pharmacy Director, Utah Dept. of Health & Human Services
Mandy Strom, Utah Medicaid State Lead, CMS

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

1. TRANSMITTAL NUMBER <u>2 2</u> — <u>0 0 1 0</u>	2. STATE <u>UTAH</u>
3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT <input checked="" type="radio"/> XIX <input type="radio"/> XXI	

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

4. PROPOSED EFFECTIVE DATE
~~January 1, 2023~~ **April 3, 2023**

5. FEDERAL STATUTE/REGULATION CITATION
42 CFR 440.120

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 2023 \$ 0
b. FFY 2024 \$ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Page 19b of ATTACHMENT 4.19-B
Pages 19 and 19a of ATTCHMENT 4.19-B

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)
Page 19b of ATTACHMENT 4.19-B
Pages 19 and 19a of ATTCHMENT 4.19-B

9. SUBJECT OF AMENDMENT

Provider-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


12. TYPED NAME
Tracy S. Gruber

13. TITLE
Executive Director, Utah Dept of Health and Human Services

14. DATE SUBMITTED
October 18, 2022

15. RETURN TO
Craig Devashrayee
Utah Department of Health and Human Services
Division of Integrated Healthcare
cdevashrayee@utah.gov

FOR CMS USE ONLY

16. DATE RECEIVED
October 18, 2022

17. DATE APPROVED
January 11, 2023

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
April 3, 2023

19. SIGNATURE OF APPROVING OFFICIAL


20. TYPED NAME OF APPROVING OFFICIAL
Cynthia R. Denemark, R.Ph.

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

22. REMARKS

1/5/2023 - Utah authorized pen & ink change to box 4 of the 179
12/30/22 - Utah authorized pen & ink changes to box 7 and 8 of the 179

S. PRESCRIBED DRUGS

Covered outpatient drugs will be reimbursed based on an established product cost plus a professional dispensing fee. The payment for individual prescriptions shall not exceed the amount billed. The amount billed must be no more than the usual and customary charge (U&C) to the private pay patient. The following methodology is used to establish Medicaid payments:

Effective for claims adjudicated on or after April 1, 2017, except as otherwise stated in this section and in addition to a reasonable professional dispensing fee as applicable, reimbursement for brand and generic covered outpatient drugs will be as follows:

The lesser of the Wholesale Acquisition Cost (WAC), Federal Upper Limit, National Average Drug Acquisition Cost (NADAC), Utah Maximum Allowable Cost (UMAC), or the Ingredient Cost Submitted.

Federal Upper Limit

The federal upper limit is the maximum allowable ingredient cost reimbursement established by the Federal government (e.g., Centers for Medicare and Medicaid Services (CMS) for selected multiple-source drugs. The aggregate cost of product payment for the drugs on the federal upper limit list will not exceed the aggregate established by the Federal government.

Utah MAC

Utah MAC is the Maximum Allowable Cost reimbursement established by the State for selected drugs.

T.N. # 22-0010

Approval Date 1-11-2023

Supersedes T.N. # 18-0007

Effective Date 4-3-23

S. PRESCRIBED DRUGS (Continued)

Professional Dispensing Fees

The Utah Medicaid professional dispensing fees are as follows:

1. \$9.99 for urban pharmacies located in Utah;
2. \$10.15 for rural pharmacies located in Utah;
3. \$9.99 for pharmacies located in any state other than Utah; and
4. \$716.54 for hemophilia clotting factor.

Urban pharmacies are pharmacies physically located in Weber, Davis, Utah and Salt Lake counties.

Drugs Dispensed by IHS/Tribal facilities

Covered outpatient drugs dispensed by an IHS/Tribal facility to an IHS/Tribal member are reimbursed at the encounter rate in accordance with the Utah Medicaid Indian Health Services Provider Manual.

Specialty Drugs and Covered Outpatient Drugs Primarily Dispensed through the Mail

Specialty drugs and covered outpatient drugs primarily dispensed through the mail are reimbursed in the same manner as other covered outpatient drugs in accordance with the reimbursement rules of this section.

T.N. # 22-0010

Approval Date 1-11-2023

Supersedes T.N. # 19-0013

Effective Date 4-3-23

S. PRESCRIBED DRUGS (Continued)

Covered Outpatient Drugs not Dispensed by a Retail Community Pharmacy

Covered outpatient drugs not dispensed by a retail community pharmacy are reimbursed in the same manner as other covered outpatient drugs in accordance with the reimbursement rules of this section.

Provider-Administered Drugs

Effective for claims adjudicated on or after April 3, 2023, covered provider-administered drugs are reimbursed in the same manner as other covered outpatient drugs in accordance with the reimbursement rules of this section, with the exception that no professional dispensing fee will be paid.

Investigational Drugs

Investigational drugs are not covered by Utah Medicaid.

T.N. # 22-0010

Approval Date 1-11-2023

Supersedes T.N. # 19-0013

Effective Date 4-3-23