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State/Territory Name: Utah

State Plan Amendment (SPA) #: UT-23-0005

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

Medical Benefits and Health Programs Group

September 8, 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) 23-0005 received in the CMS Medicaid & CHIP Operations Group on June 20, 2023. This SPA proposes to allow the state to enter into value-based contracts with manufacturers.

Based on the information provided and consistent with the regulations at 42 CFR 430.20, we are pleased to inform you that SPA 23-0005 is approved with an effective date of April 1, 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, 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 Omar Alemi at (720) 853-2724 or omar.alemi@cms.hhs.gov.

Sincerely,



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

cc: Craig Devashrayee, SPA Coordinator, Utah Department of Health & Human Services
Lisa Angelos, Pharmacy Director, Utah Department of Health & Human Services
Tyler Deines, CMS, Utah State Lead

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

1. TRANSMITTAL NUMBER

2 3 — 0 0 0 5

2. STATE

UTAH

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

April 1, 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

ATTACHMENTS 3.1-A and 3.1-B, Attachment #12a, Page 1b

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

ATTACHMENTS 3.1-A and 3.1-B, Attachment #12a, Page 1b

9. SUBJECT OF AMENDMENT

Value-Based 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:

11. SIGNATURE OF STATE AGENCY OFFICIAL

12. TYPED NAME
Tracy S. Gruber

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

14. DATE SUBMITTED
June 20, 2023

15. RETURN TO

**Craig Devashrayee, Manager Technical Writing Unit
Utah Department of Health and Human Services
Division of Integrated Healthcare
cdevashrayee@utah.gov**

FOR CMS USE ONLY

16. DATE RECEIVED
June 20, 2023

17. DATE APPROVED
September 8, 2023

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
April 1, 2023

19. SIGNATURE OF APPROVING OFFICIAL

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

21. TITLE OF APPROVING OFFICIAL
Director, Division of Pharmacy

22. REMARKS

PRESCRIBED DRUG SERVICES

LIMITATIONS

7. The State is in compliance with Section 1927 of the Social Security Act. The State will cover drugs of manufacturers participating in the federal rebate program. The State is in compliance with reporting requirements for utilization and restriction to coverage based on the requirements for Section 1927 of the Act. The State has the following policies for the supplemental rebate program for the Medicaid population:
 - a. The State maintains, and updates periodically, a version of the rebate entitled "Supplemental Rebate Agreement" between the State and the drug manufacturer for drugs provided to the Medicaid population and "Sovereign States Drug Consortium Addendum to Member States Agreements".
 - b. The State may enter into value-based contracts with manufacturers on a voluntary basis. These contracts will be executed on the model agreement entitled "Value-Based Supplemental Rebate Agreement" submitted to CMS on June 20, 2023, and authorized for use beginning April 1, 2023.
 - c. Pursuant to 42 USC 1396r-8, the State has established a preferred drug list (PDL) with non-preferred drugs identified. The PDL program shall negotiate drug discounts, rebates, or benefits for the Medicaid program.

T.N. # 23-0005

Approval Date 9-8-23

Supersedes T.N. # 17-0002

Effective Date 4-1-23

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