

## **Table of Contents**

**State/Territory Name: Texas**

**State Plan Amendment (SPA) #: 20-0010**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages



**Center for Medicaid and CHIP Services**

**Disabled and Elderly Health Programs Group**

September 28, 2020

Ms. Stephanie Stephens  
State Medicaid Director  
Texas Health and Human Services Commission  
Post Office Box 13247, MC: H-100  
Austin, Texas 78711

Dear Ms. Stephens:

The CMS Division of Pharmacy team has reviewed Texas's State Plan Amendment (SPA) 20-0010 received in the CMS Division of Program Operations on June 30, 2020. This SPA approves a template that will authorize the state to enter Value-Based Purchasing (VBP) rebate agreements with drug manufacturers for drugs provided under the Medicaid program.

Based on the information provided and consistent with the regulations at 42 CFR 430.20, we are pleased to inform you that SPA 20-0010 is approved with an effective date of June 1, 2020. Our review was limited to the material necessary to evaluate the SPA under applicable federal laws and regulations.

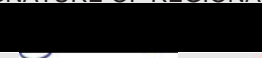
A copy of the signed CMS-179 form, as well as the pages approved for incorporation into Texas's state plan will be forwarded by the CMS Division of Program Operations. If you have any questions regarding this amendment, please contact Charlotte Amponsah at (410) 786-1092 or [charlotte.amponsah@cms.hhs.gov](mailto:charlotte.amponsah@cms.hhs.gov)

Sincerely,

/s/

John Coster, Ph.D., R.Ph.  
Director  
Division of Pharmacy

cc: Courtney Pool, State Plan Coordinator, Texas Medicaid/CHIP  
James G. Scott, Division Director, CMS Division of Program Operations  
Billy Bob Farrell, Branch Manager, CMS Division of Program Operations  
Ford Blunt, CMS Division of Program Operations - West Branch

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b> <b>FOR: CENTERS FOR MEDICARE AND MEDICAID SERVICES</b>	1. TRANSMITTAL NUMBER: <b>20-0010</b>	2. STATE: <b>TEXAS</b>
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE AND MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE: June 1, 2020	
5. TYPE OF PLAN MATERIAL <i>(Circle One)</i> : <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT		
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT <i>(Separate Transmittal for each amendment)</i>		
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 440.120(a), 42 USC 1396r-8(a)(1), (b)(1)(B).	7. FEDERAL BUDGET IMPACT: a. FFY 2020      \$0 b. FFY 2021      \$0 c. FFY 2022      \$0	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  <b>SEE ATTACHMENT TO BLOCKS 8 &amp; 9</b>	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT <i>(If Applicable)</i> :  <b>SEE ATTACHMENT TO BLOCKS 8 &amp; 9</b>	
10. SUBJECT OF AMENDMENT:  This amendment proposes to revise the Texas State plan to incorporate language that authorizes the state to negotiate value-based purchasing arrangements with drug manufacturers		
11. GOVERNOR'S REVIEW <i>(Check One)</i> : <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: Sent to Governor's Office this date. Comments, if any, will be forwarded upon receipt. <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL		
12. SIGNATURE OF STATE AGENCY OFFICIAL: <b>stephanie stephens</b> <small>Digitally signed by stephanie stephens Date: 2020.07.01 14:01:57 -05'00'</small>	16. RETURN TO:  <b>Stephanie Stephens</b> <b>State Medicaid Director</b> <b>Post Office Box 13247, MC: H-100</b> <b>Austin, Texas 78711</b>	
13. TYPED NAME: <b>Stephanie Stephens</b>		
14. TITLE: <b>State Medicaid Director</b>		
15. DATE SUBMITTED: <b>June 30, 2020</b>		
<b>FOR REGIONAL OFFICE USE ONLY</b>		
17. DATE RECEIVED: June 30, 2020	18. DATE APPROVED: September 28, 2020	
PLAN APPROVED – ONE COPY ATTACHED		
19. EFFECTIVE DATE OF APPROVED MATERIAL: June 1, 2020	20. SIGNATURE OF REGIONAL OFFICIAL:  Digitally signed by James G. Scott -S Date: 2020.09.28 09:48:50 -05'00'	
21. TYPED NAME: James G. Scott	22. TITLE: Director Division of Program Operations	
23. REMARKS: See pen and ink change to block 9 as per e-mail concurrence dated 9/25/20		

**Attachment to Blocks 8 & 9 of CMS Form 179**

**Transmittal Number 20-0010**

**Number of the  
Plan Section or Attachment**

**Number of the Superseded  
Plan Section or Attachment**

Attachment 3.1-A  
Page 24 d.1

New Page

**(k). Value-Based Agreement**

The State may enter into value-based contracts with manufacturers on a voluntary basis.