

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

Susan Mosier, M.D.
Medicaid Director
Kansas Department of Health and Environment
Landon State Office Building
900 SW Jackson Street, Room 900-N
Topeka, KS 66612

Dear Dr. Mosier:

We have reviewed the Kansas State Plan Amendment (SPA) 11-09 submitted to the Kansas City Regional Office on September 9, 2011. The state proposes to change its estimated acquisition cost (EAC) from average wholesale price (AWP) minus 13 percent to wholesale acquisition cost (WAC) plus 4.6 percent when reimbursing for the ingredient cost of single source drugs. The reimbursement for the ingredient cost of multi-source drug products will change from AWP minus 27 percent to WAC minus 8.6 percent. For those drugs for which there is no WAC, federal upper limit or state maximum allowable cost available, reimbursement for the ingredient cost will be at invoice pricing. Based on the information provided, we are pleased to inform you that SPA 11-09 is approved with an effective date of September 16, 2011.

A copy of the CMS-179 form as well as the page approved for incorporation into the States plan will be forwarded by the Kansas City Regional office. If you have any questions regarding this amendment, please contact Madly Kruh at (410) 786-3239.

Sincerely,

/ s /

Larry Reed
Director
Division of Pharmacy

cc: James G. Scott, ARA, Kansas City Regional Office
Narinder Singh, Kansas City Regional Office
Megan Buck, Kansas City Regional Office
Kari Bruffett, KDHE Division of Health Care Finance