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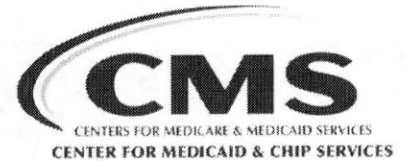
State/Territory Name: South Dakota

State Plan Amendment (SPA) #: SD-12-014

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

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

June 3, 2013

Brenda Tidball-Zeltinger
Chief Financial Officer
Department of Social Services
Division of Medical Services
700 Governors Drive
Pierre, SD 57501-2291

Dear Ms. Tidball-Zeltinger:

We have reviewed South Dakota's State Plan Amendment (SPA) 12-014, received in the Regional Office on December 28, 2012. It reflects changes in pharmacy coverage required by Section 175 of the Medicare Improvement for Patients and Providers Act of 2008 which amended section 1860D-2(e)(2)(A) of the Act to include barbiturates "used in the treatment of epilepsy, cancer, or chronic mental health disorder" and benzodiazepines in Part D drug coverage.

We are pleased to inform you that the amendment is approved, effective January 1, 2013. A copy of the CMS-179 form, as well as the pages approved for incorporation into the South Dakota state plan, will be forwarded by the Denver Regional Office.

If you have any questions regarding this amendment, please contact Delaine Deardorff-Beck at (410) 786-2991.

Sincerely,

/s/

Larry Reed
Director
Division of Pharmacy

cc: Richard Allen, ARA, Denver Regional Office
Kim Malsam-Rysdon, DSS Cabinet Secretary
Diane Dunstan-Murphy, Denver Regional Office
Rebecca Burch-Mack, Denver Regional Office

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES	1. TRANSMITTAL NUMBER: SD-12-14	2. STATE: South Dakota
	3. PROGRAM IDENTIFICATION: TITLE SIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE: January 1, 2013	

5. TYPE OF PLAN MATERIAL (Check One):

NEW STATE PLAN AMENDMENT TO BE CONSIDERED AS NEW PLAN AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION: Medicare Improvements for Patients and Providers Act of 2008	7. FEDERAL BUDGET IMPACT: a. FFY 2012: \$ 2013 (\$84,252) Savings b. FFY 2013: \$ 2014 (\$80,310) Savings
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 3 1-A 1, Page 1 Supplement to Attachment 3 1-A, Page 20	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 3.1-A, Page 12 Supplement to Att. 3.1-A, Page at-20a

10. SUBJECT OF AMENDMENT:

This State Plan Amendment is a requirement of the Medicare Improvements for Patients and Providers Act of 2008. The Amendment limits Medicaid coverage of barbiturates and benzodiazepines for those Medicaid recipients who are dually eligible for Medicaid and Medicare due to the expansion of Medicare Part D coverage for those classes of drugs.

11. GOVERNOR'S REVIEW (Check One):

GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED:
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL: 	16. RETURN TO: DEPARTMENT OF SOCIAL SERVICES DIVISION OF MEDICAL SERVICES 700 GOVERNORS DRIVE PIERRE, SD 57501-2291
13. TYPED NAME: Brenda Tidball-Zeltinger	
14. TITLE: Chief Financial Officer	
15. DATE SUBMITTED: December 28, 2012 (hjt)	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: 12/28/12	18. DATE APPROVED: 6/3/13
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PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: 1/1/13	20. SIGNATURE OF REGIONAL OFFICIAL:
21. TYPED NAME: RICHARD C. ALLEN	22. TITLE: ARA, DMCHD

23. REMARKS: **Pen & Ink changes made to boxes 7, 9 & 15 per States authorization (hjt)**

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State: South Dakota
REQUIREMENTS RELATING TO COVERED OUTPATIENT DRUGS FOR THE
CATEGORICALLY NEEDY

Citation(s)	Provision(s)
Section 1935(d)(1) of the Act	The Medicaid agency does not cover any Part D drug for full-benefit, dual eligible individuals who are entitled to receive Medicare benefits under Part A or Part B.
Sections 1927(d)(2) and 1935(d)(2)	The Medicaid agency provides coverage for the following excluded or otherwise restricted drugs or classes of drugs, or their medical uses to all Medicaid recipients, including full-benefit dual eligible beneficiaries under the Medicare prescription Drug Benefit—Part D. <u>X</u> The following excluded drugs are covered: <u>X</u> (a) Agents when used for anorexia, weight loss, or weight gain, only for appetite stimulation in AIDS patients or for cancer chemotherapy-induced nausea and vomiting. — (b) Agents when used to promote fertility; — (c) Agents when used for cosmetic purposes or hair growth; — (d) Prescription agents when used for the symptomatic relief of cough and colds; <u>X</u> (e) Prescription vitamins and mineral products, except prenatal vitamins and fluoride; <u>X</u> (f) Non-prescription drugs, limited to non-sedating anti-histamines and smoking cessation drugs for pregnant women; — (g) Covered outpatient drugs which the manufacturer seeks to require as a condition of sale that associated tests or monitoring services be purchased exclusively from the manufacturer or its designee (see specific drug categories below); <u>X</u> (h) Barbiturates (except for dual eligible individuals effective January 1, 2013, when used in the treatment of epilepsy, cancer, or a chronic mental health disorder as Part D will cover those indications); <u>X</u> (i) Benzodiazepines (except for dual eligible individuals effective January 1, 2013, as Part D will cover all indications); and <u>X</u> (j) Prescription smoking cessation drugs (except for dual eligible individuals as Part D will cover these drugs).

SUPPLEMENT TO ATTACHMENT 3.1-A

12a. Prescribed Drugs

Any covered outpatient drug may be subject to prior authorization, and the agency maintains a list of drugs requiring prior authorization. Prescribing physicians, pharmacists, and/or designated representatives may contact the Medicaid Prior Authorization Unit via 1-800 phone or fax lines, mail or encrypted e-mail to request prior authorization. The program will issue responses within 24 hours of the request. Pharmacies may dispense a 72-hour supply of a prior authorized product in the event of an emergency. The program complies with requirements set forth in OBRA 1990 and 1993 pertaining to prior authorization programs.

The program does not cover the following items:

1. Delivery charges;
2. Agents when used for the treatment of sexual or erectile dysfunction;
3. Items manufactured by a firm that has not signed a rebate agreement with the United States Department of Health and Human Services, Centers for Medicare and Medicaid Services;
4. Drugs and biologicals which the federal government has determined to be less than effective;
5. Experimental items;
6. Over-the-counter items limited to non-sedating anti-histamines and smoking cessation drugs for pregnant women.

The program does not cover any Medicare Part D drug for full-benefit dual eligible individuals who are entitled to receive Medicare benefits under Part A or Part B. (See **Attachment 3.1-A.1** for specific coverage.)

TN # 12-14
SUPERSEDES
TN # 05-12

Approval Date 6/3/13

Effective Date 1/01/13