

NOTICE OF PROPOSED CHANGES TO THE STATE MEDICAID PLAN

The Connecticut Department of Social Services (DSS) proposes to amend its Medicaid State Plan on or after July 1, 2011, as follows:

1) Pharmacy Reimbursement – State Plan Amendment 11-021

Under State Plan Amendment (SPA) 11-021, DSS intends to amend Attachment 4.19B of the Connecticut Medicaid State Plan pertaining to pharmacy services. In particular, DSS will reduce reimbursement for legend drugs from Average Wholesale Price (AWP)-14% to AWP-16%. DSS will also reduce its professional fee to licensed pharmacists from two dollars and ninety cents (\$2.90) to two dollars (\$2.00) for each prescription. DSS also proposes to change the generic drug maximum allowable cost reimbursement from AWP-50% to AWP-72%.

The purpose of these changes is to promote the efficient purchasing of drugs, while ensuring adequate client access to such drugs. These changes are required by Public Act 11-44, Section 76 and the state 2012 – 2013 biennium budget. The projected cost savings from these changes are \$64.8 million in SFY12 and \$71.2 million in SFY13.

2) Hospital Outpatient Rates – State Plan Amendment 11-025

Under SPA 11-25, DSS proposes to amend Attachment 4.19B to change the rate setting methodology for certain outpatient services. This amendment will set statewide fixed fees for certain services that are now paid on the basis of a hospital-specific ratio of cost to charges (RCC).

These changes are being proposed pursuant to Public Act 11-44, Sec. 92 and are intended to provide greater predictability in outpatient costs and greater consistency to outpatient hospital rates across the state. It is anticipated that the revisions to the outpatient hospital fees will result in savings of \$1.1 million in SFY 2012 and \$2.4 in SFY 2013.

Copies of the proposed changes may be obtained at each of the DSS's regional offices and on the DSS web site: www.dss.state.ct.us Go to "Publications" and then to "News and Updates". For information please contact 860-424-4873.

Written comments may be sent by July 18, 2011 to:

Director of Medical Care Administration
Re: SPA 11-021 - Pharmacy Services or SPA 11-025 Hospital Outpatient
Department of Social Services
25 Sigourney Street, 11th floor
Hartford, CT 06106

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
STATE CONNECTICUT

Methods and Standards for Establishing Payment
Rates – Other Types of Care

(a) Prescribed Drugs

1. With the exception of (a)2 and (a)3 below the cost of drugs is determined by the drug product allowance established by the HCFA Upper Payment Limits plus a professional Dispensing Fee of \$2.00; The State's estimated acquisition cost (E.A.C.) which is AWP –16% plus the professional Dispensing Fee; or the usual and customary charge to the general public, whichever is lower.
2. The maximum allowable cost paid for selected multi-source brand and generic drugs meeting the following criteria shall be the Average Wholesale Price (AWP) minus 72% plus the professional Dispensing Fee:
 - at least two suppliers of the generic product are available,
 - drug is not on the Federal Upper Limit (FUL) list or the Department of Justice (DOJ) list, and
 - all dosage forms (including tablets, capsules, eye drops, inhalers, topicals and liquids).
3. The maximum allowable cost paid for Factor VIII (Factorate, Antihemophilic Factor, AHF) pharmaceuticals shall be the Actual Acquisition Cost (AAC) plus eight per cent.

(b) Prosthetic devices

Except as otherwise noted in the plan, payment for these services is based on state-developed fee schedule rates, which are the same for both governmental and private providers of prosthetic devices. The agency's rates were set as of 2/1/2010 and are effective for services rendered on or after that date. The fee schedule is subject to periodic adjustment. All rates are published on the agency's website at www.ctdssmap.com.

(c) Eyeglasses

Except as otherwise noted in the plan, payment for these services is based on state-developed fee schedule rates, which are the same for both governmental and private providers of eyeglasses. The agency's rates were set as of 7/1/2008 and are effective for services rendered on or after that date. The fee schedule is subject to periodic adjustment. All rates are published on the agency's website at www.ctdssmap.com.

- (d) Hearing aid – The price allowed shall be the cost of the hearing aid to the provider, not to exceed \$160.00.

 TN# 11-021

Supersedes

TN # 10-018

Approval Date _____

Effective Date 7-1-2011

