

**NOTICE OF PROPOSED CHANGES TO THE STATE MEDICAID PLAN
CONCERNING PHARMACY REIMBURSEMENT**

The Connecticut Department of Social Services (DSS) proposes to amend its Medicaid State Plan on or after November 1, 2011. Under State Plan Amendment 11-035, DSS intends to amend Attachment 4.19B of the Connecticut Medicaid State Plan pertaining to pharmacy services. In particular, DSS proposes to change the generic drug maximum allowable cost (MAC) reimbursement from Average Wholesale Price (AWP) – 72% to a tiered reimbursement approach. Under this approach, the maximum allowable cost will range from AWP – 72% to AWP - 20%. Reimbursement will be considered under the highest tier and then at stepped-down percentages, in order to ensure that the drug may be purchased by the pharmacy within one of the pricing tiers.

The purpose of these changes is to promote the efficient purchasing of drugs and to ensure that DSS is a prudent purchaser of prescription drugs, while ensuring adequate client access to such drugs. DSS anticipates that the tiered MAC approach will result in additional savings. The fiscal impact has not yet been fully determined.

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 November 8, 2011 to:
Director of Medical Care Administration
Re: SPA 11-035 - Pharmacy Services
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. If providers are not able to purchase such drugs at this rate, a stepped down maximum allowable cost tiered approach will be enforced with the minimum reimbursement set at AWP minus 20% 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# 11-035

Supersedes

TN # 10-018

Approval Date _____

Effective Date 11-1-2011

