

**DEPARTMENT OF SOCIAL SERVICES
NOTICE OF PROPOSED CHANGES TO THE STATE MEDICAID PLAN**

SPECIAL NOTICE – February 28, 2013

On December 31, 2012, the Department issued public notice in the newspapers of its intent to submit a Medicaid State Plan Amendment (SPA) concerning reimbursement provisions to pharmacy services under SPA # 13-005. The Department is posting the State Plan pages under two separate SPA numbers (SPA #13-005 and #13-014).

The Department has extended the time frame for the submission of comments to March 14, 2013.

Please mail or e-mail your comments to: Ginny Mahoney, Department of Social Services, Medical Policy Unit, 25 Sigourney Street, 11th Floor, Hartford, CT 06106-5033, Telephone: (860) 424-5145, Fax: (860) 424-5799, Email: ginny.mahoney@ct.gov. Please reference SPA TN # 13-005/13-014 Pharmacy Services).

Please find below the original public notice followed by the State Plan language concerning Pharmacy Services.

PHARMACY SERVICES REIMBURSEMENT (SPA 13-005)

Under State Plan Amendment 13-005, the Department will revise the reimbursement provisions for pharmacy services. This change is contingent upon CMS approval and will take effect on or after January 1, 2013.

Changes to Medicaid State Plan

Pursuant to HB 7001, Section 22(a) (Dec. Sp. Sess.), Attachment 4.19-B of the Medicaid State Plan will be amended to reflect a new reimbursement methodology for brand name drugs dispensed by independent pharmacies. The Department intends to amend Attachment 4.19-B of the Connecticut Medicaid State Plan pertaining to pharmacy services as directed by the Connecticut Legislature. This amendment represents a slight adjustment to 2012 legislation that increased the reimbursement to independent pharmacies from AWP minus 16% to AWP minus 14%, and results in a new independent pharmacy reimbursement rate of AWP minus 15%.

DSS Department will also reduce its professional fee to licensed pharmacists from two dollars (\$2.00) to one dollar and seventy cents (\$1.70) for each prescription. This change is required by HB 7001, Section 22(a). These changes will take effect on or after January 1, 2013.

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

(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 Federal Upper Limit plus a professional Dispensing Fee of **\$1.70**; The State's estimated acquisition cost (E.A.C.) which is AWP –16% plus the professional Dispensing Fee of \$1.70; 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 maximum 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, and
 - all dosage forms (including tablets, capsules, eye drops, inhalers, topicals and liquids).
 - The Department uses a MAC Pricing Inquiry Worksheet for drugs on the MAC list. This worksheet allows providers to document difficulty in obtaining a specific drug for the MAC price set in this section. The MAC Pricing Inquiry Worksheet requires the provider to submit certain information to the Department, including the actual purchase invoice for the drug. If the information submitted demonstrates a provider's inability to purchase a drug for the MAC price using the tiered approach described above, the Department removes the drug from the MAC list and the price for that drug is based on the EAC, as described in (a)(1), above.
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.

TN# 13-005

Supersedes

TN # 11-035

Approval Date _____

Effective Date: January 1, 2013

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

(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 Federal Upper Limit plus a professional Dispensing Fee of \$2.00; The State's estimated acquisition cost (E.A.C.) which is AWP –16% for a chain pharmacy and AWP – 15% for an independent pharmacy 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 maximum 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, and
 - all dosage forms (including tablets, capsules, eye drops, inhalers, topicals and liquids).
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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.

TN# 13-014

Supersedes

TN # 11-035

Approval Date _____

Effective Date 1/1/2013