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State/Territory Name: Wisconsin

State Plan Amendment (SPA)#:WI-23-0014

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form
- 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

Medical Benefits and Health Programs Group

August 24, 2023

Jamie Kuhn
Medicaid Director
Department of Health Services
1 W. Wilson St.
P.O. Box 309
Madison, WI 53701-0309

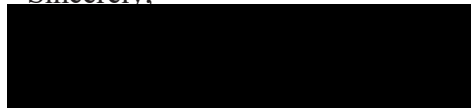
Dear Jamie Kuhn:

The CMS Division of Pharmacy has reviewed Wisconsin's State Plan Amendment (SPA) 23-0014 received in the CMS Medicaid & CHIP Operation Group on June 28, 2023. This SPA proposed to revise the state's reimbursement rate for physician administered drugs such that it will continually align with the Medicare Fee Schedule reimbursement rate.

Based on the information provided and consistent with the regulations at 42 CFR 430.20, we are pleased to inform you that SPA 23-0014 is approved with an effective date of April 1, 2023. Our review was limited to the materials necessary to evaluate the SPA under applicable federal laws and regulations.

We are attaching a copy of the signed CMS-179 form, as well as the page approved for incorporation into Wisconsin's state plan. If you have any questions regarding this amendment, please contact Charlotte Hammond at (410) 786-1092 or charlotte.hammond@cms.hhs.gov.

Sincerely,



Mickey Morgan
Division of Pharmacy

cc: Bailey Dvorak, State Plan Amendment Coordinator Department of Health, Wisconsin
Matt Klein, CMS, Division of Reimbursement and Review


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| TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES | 1. TRANSMITTAL NUMBER <u>2 3 — 0 0 1 4</u> | 2. STATE <u>WI</u> |
| | 3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT <input checked="" type="radio"/> XIX <input type="radio"/> XXI | |
| TO: CENTER DIRECTOR CENTERS FOR MEDICAID & CHIP SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES | 4. PROPOSED EFFECTIVE DATE <u>04/01/2023</u> | |
| 5. FEDERAL STATUTE/REGULATION CITATION <u>Section 11403 of the Inflation Reduction Act</u> | 6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY <u>2023</u> \$ <u>0</u> b. FFY <u>2024</u> \$ <u>0</u> | |
| 7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT <u>Attachment 4.19-B</u> <u>Page 5b</u> | 8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) <u>Same</u> | |

9. SUBJECT OF AMENDMENT
Physician Administerd Drugs (PAD) Reimbursment

10. GOVERNOR'S REVIEW (Check One)

GOVERNOR'S OFFICE REPORTED NO COMMENT
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

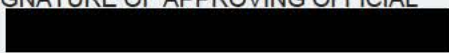
OTHER, AS SPECIFIED:
Nathan Bollert
PROVIDER/REGULATOR

| | |
|--|---|
| 11. SIGNATURE OF STATE AGENCY OFFICIAL  | 15. RETURN TO Bailey Dvorak State Plan Amendment Coordinator Department of Health Services 1 W. Wilson St. P.O. Box 309 Madison, WI 53701-0309 |
| 12. TYPED NAME <u>Jamie Kuhn</u> | |
| 13. TITLE <u>Medicaid Director</u> | |
| 14. DATE SUBMITTED <u>06/28/23</u> | |

FOR CMS USE ONLY

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|-------------------------------------|-------------------------------------|
| 16. DATE RECEIVED <u>06/28/2023</u> | 17. DATE APPROVED <u>08/24/2023</u> |
|-------------------------------------|-------------------------------------|

PLAN APPROVED - ONE COPY ATTACHED

| | |
|---|---|
| 18. EFFECTIVE DATE OF APPROVED MATERIAL <u>04/01/2023</u> | 19. SIGNATURE OF APPROVING OFFICIAL  |
| 20. TYPED NAME OF APPROVING OFFICIAL <u>MICKEY, MORGAN</u> | 21. TITLE OF APPROVING OFFICIAL <u>DEPUTY DIRECTOR</u> |

22. REMARKS

**Wisconsin Medicaid
Pharmacy Fee Schedule, continued**

4. **Hemophilia clotting factor and other blood products used to treat hemophilia and other blood disorders** will receive an ingredient cost plus a professional dispensing fee as defined above in (A)(1)(d).

Rates for hemophilia clotting factor and other blood products will be based on a State Specialty Maximum Allowable Cost. State Specialty Maximum Allowable Cost rates will be updated monthly based on a review of product availability and specialty pricing in the marketplace. For hemophilia clotting factor and other blood products, Wisconsin or its contractor will use benchmark provider reimbursement discounts (e.g., commercial and/or Medicaid Managed Care) to develop hemophilia clotting factor and other blood products reimbursement rates.

State Specialty Maximum Allowable Cost rates for hemophilia clotting factor and other blood products will not exceed WAC +0%.

Reimbursement is the lower of:

- The State determined State Specialty Maximum Allowable Cost plus a professional dispensing fee as defined above in (A)(1)(d) or
 - The provider's usual and customary charge.
5. **Covered outpatient drugs not dispensed by a community retail pharmacy, but dispensed through institutions or long term care when not included as part of an inpatient stay** will receive an ingredient cost plus professional dispensing fee as defined above in (A)(1)(d).
- a. Ingredient cost is paid as the lesser of:
- NADAC plus a professional dispensing fee or
 - The provider's usual and customary charge.
- b. If NADAC is unavailable, ingredient cost is the lesser of:
- WAC +0% plus a professional dispensing fee,
 - SMAC rate, if available, plus a professional dispensing fee, or
 - The provider's usual and customary charge.
6. **Physician Administered Drugs (PAD)** –
- Drug ingredient costs are reimbursed at the Medicare Fee Schedule.
 - If there is no ASP, then the drug ingredient costs are reimbursed at NADAC.
 - If there is no ASP or NADAC, then drug ingredient costs are WAC +0%.
 - No professional dispensing fee is reimbursed.
7. **Investigational Drugs** are not covered under the Medicaid State Plan, unless the drug has an FDA-approved emergency use authorization and is indicated for the treatment of COVID-19; these drugs are provided by the federal government free of charge.

C. Wisconsin will comply with the updated Upper Limits requirements.

1. Overall agency payment will not exceed the federal upper limit based on the ACA FUL for ingredient reimbursement in the aggregate for multiple source drugs and other drugs, except prescription drugs which the prescriber certifies as being medically necessary for a beneficiary.
2. The State will ensure compliance, at the aggregate level, of MAC rates to not exceed the Federal Upper Limits on an annual basis.