

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, CHIP and Survey & Certification**

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June 15, 2011

Mr. R. Bob Mullins, Jr., MD  
Commissioner  
Alabama Medicaid Agency  
501 Dexter Avenue  
Post Office Box 5624  
Montgomery, Alabama 36103-5624

Dear Dr. Mullins:

We have reviewed Alabama's State Plan Amendment (SPA) 10-017 submitted to the Atlanta Regional Office on March 24, 2011. Based on the information provided, we are pleased to inform you that the SPA is approved. This amendment proposes to add an enhanced dispensing fee of \$10.00 for pharmacy providers providing the services of tablet splitting and long term drug maintenance. The effective date of this SPA is March 1, 2011.

A copy of the CMS-179 form as well as the page approved for incorporation into Alabama's state plan, will be forwarded by the Atlanta Regional Office. If you have any questions regarding this amendment, please contact Madlyn Kruh at (410) 786-3239.

Sincerely,

/ s /

Larry Reed  
Director  
Division of Pharmacy

cc: Jackie Glaze, Acting ARA, Atlanta Regional Office  
Maria Drake, Atlanta Regional Office

Department of Health & Human Services  
Centers for Medicare & Medicaid Services  
61 Forsyth St., Suite 4T20  
Atlanta, Georgia 30303-8909



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June 21, 2011

Mr. R. Bob Mullins, Jr., MD  
Commissioner  
Alabama Medicaid Agency  
501 Dexter Avenue  
Post Office Box 5624  
Montgomery, Alabama 36103-5624

Re: Alabama Title XIX State Plan Amendment, Transmittal #10-017

Dear Dr. Mullins:

This is to affirm approval of the above referenced State Plan Amendment which was submitted to the Regional Office on November 10, 2010. The State's requested effective date of March 1, 2011 has been accepted.

Enclosed for your records are:

1. a copy of the approval letter dated June 15, 2011 that was submitted to the State by Larry Reed, Director, Division of Pharmacy;
2. the original signed 179; and
3. the approved plan page.

If you have any additional questions regarding this amendment, please contact Maria Drake, State Coordinator for Alabama, at 404-562-3697.

Sincerely,

/s/

David Kimble  
Acting Associate Regional Administrator  
Division of Medicaid & Children's Health Operations

Enclosure(s)

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL**

1. TRANSMITTAL NUMBER:  
AL 10-017

2. STATE  
Alabama

**FOR: HEALTH CARE FINANCING ADMINISTRATION**

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE  
SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE  
March 1, 2011

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:  
42 CFR 447.205 and 447.331

7. FEDERAL BUDGET IMPACT:  
FY 11 Budget Neutral  
FY 12 Budget Neutral

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-B, Page 2a

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (If Applicable):

Attachment 4.19-B, Page 2a

10. SUBJECT OF AMENDMENT:

To add a professional service reimbursement to pharmacy providers that participate in the long term drug maintenance program and those who utilize tablet splitting.

11. 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:  
Governor's designee on file  
via letter with CMS

12. SIGNATURE OF STATE AGENCY OFFICIAL:

[Redacted Signature]

13. TYPED NAME:

Carol H. Steckel

14. TITLE:

Commissioner

15. DATE SUBMITTED:

11-9-10

16. RETURN TO:

Carol H. Steckel  
Commissioner  
Alabama Medicaid Agency  
501 Dexter Avenue  
Post Office Box 5624  
Montgomery, Alabama 36103-5624

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

11-10-10

18. DATE APPROVED:

06/15/11

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

03-01-11

20. SIGNATURE OF REGIONAL OFFICIAL:

[Redacted Signature]  
22. TITLE: Acting Associate Regional Administrator  
Division of Medicaid & Children's Health Opns

21. TYPED NAME:

David Kimble

23. REMARKS:

Approved with following changes as authorized by State Agency on email dated: 06-21-11

**Block #8 Changed to read:** Attachment 4.19-B page 3a

- c. Other Drugs. Reimbursement for covered drugs other than multiple source drugs shall not exceed the lowest of:
- (1) The Alabama Estimated Acquisition Cost (AEAC) for the drug plus a reasonable dispensing fee. AEAC is defined by Medicaid as the Average Acquisition Cost (AAC) of the drug or, in cases where no AAC is available, Wholesale Acquisition Cost (WAC) + 9.2%; or
  - (2) The provider's Usual and Customary charge to the general public for the drug; or
  - (3) For blood clotting factor products, the Average Sales Price (ASP) + 6% plus a reasonable dispensing fee.
- d. Dispensing Fees. A reasonable dispensing fee is set by the Agency. This fee is reviewed periodically for reasonableness and, when deemed appropriate by Medicaid, may be adjusted. The dispensing fee paid by the Agency effective 9/22/10 is \$10.64.

Enhanced Dispensing Fees. The state may reimburse an enhanced dispensing fee for the services provided by licensed pharmacist designated below:

1). Long Term Maintenance Supply (LTMS): The state will pay a one-time enhanced dispensing fee of \$10.00 per prescription for the initial 90-day supply of Agency designated maintenance medication dispensed when the recipient has demonstrated 60 days of stable therapy on that medication prior to the provider being allowed to dispense a 90-day quantity.

2). Tablet Splitting: The state will pay an enhanced dispensing fee of \$10.00 for the splitting of tablets of medications that appear on the list of drugs approved by the Agency for tablet splitting when the pharmacist coordinates with the prescriber, receives approval and documents the coordination.

No payments made pursuant to methods and standards described in this Attachment 4.19-B will exceed upper limits established in 42 CFR Section 447, Subpart D.