

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



October 18, 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 #11-008

Dear Mr. Mullins:

This is to affirm approval of the above referenced State Plan Amendment which was submitted to the Regional Office on July 15, 2011. The State's requested effective date of October 1, 2011 has been accepted.

Enclosed for your records are:

1. a copy of the approval letter dated October 13, 2011 that was submitted to the State by Larry Reed, Director, Division of Pharmacy;
2. the original signed 179; and
3. the approved plan pages.

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

Sincerely,

/s/

Jackie Glaze
Associate Regional Administrator
Division of Medicaid & Children's Health Operations

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

Disabled and Elderly Health Programs Group

October 13, 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) 11-008 submitted to the Atlanta Regional Office on July 15, 2011. Based on the information provided, we are informing you that this SPA is approved. This amendment proposes to decrease the monthly brand drug prescription limit from the current five to four per adult recipient, while maintaining the current override process and drug category exceptions. The effective date of this SPA is October 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

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

1. TRANSMITTAL NUMBER:
AL 11-008

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
October 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 401, et seq.

7. FEDERAL BUDGET IMPACT:
a. FFY 12 \$777,471.00 (savings)
b. FFY 13 \$777,471.00 (savings)

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
Attachment 3.1-A, page 5.12a

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (*If Applicable*):
Attachment 3.1-A, page 5.12a

10. SUBJECT OF AMENDMENT:

This amendment will limit the number of outpatient pharmacy brand prescriptions for adult recipients to four drugs, per month per recipient. Prescriptions for Medicaid eligible recipients under age 21 in the Child Health Services/EPSDT Program and Medicaid eligible nursing facility residents are excluded from these limitations.

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:

13. TYPED NAME:
R. Bob Mullins, Jr., MD
14. TITLE:
Commissioner

15. DATE SUBMITTED: 7-15-11

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

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: 07/15/11

18. DATE APPROVED: 10/13/11

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
10/01/11

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:
Jackie Glaze

22. TITLE:
Division of Medicaid & Children Health Opns

23. REMARKS:

Limitation of Services

12. **Prescribed drugs, dentures, and prosthetic devices; and eyeglasses prescribed by a physician skilled in diseases of the eye or by an optometrist.**

12. a. **Prescribed Drugs- Continued**

(3) **Reduction in Coverage**

The number of outpatient pharmacy prescriptions for all recipients except as specified below is limited to four brand name drugs per month per recipient. Brand name anti-psychotic and anti-retroviral agents may be paid up to ten prescriptions per month but in no case can total brand name prescriptions exceed ten per month per recipient. There is no limit on generic and covered over-the-counter prescriptions. Prescriptions for Medicaid eligible recipients under age 21 in the Child Health Services/Early and Periodic Screening, Diagnosis and Treatment (EPSDT) Program and prescriptions for Medicaid eligible nursing facility residents are excluded from these limitations.

State coverage may be allowed through overrides of up to ten brand name prescriptions per month for drugs classified by American Hospital Formulary Services (AHFS) or First Data Bank (FDB) Therapeutic Class as Antineoplastic Agents, Antiarrhythmic Agents, Cardiotonic Agents, Miscellaneous Vasodilating Agents, Miscellaneous Cardiac Agents, Nitrates and Nitrites, Alpha Adrenergic Blocking Agents, Beta Adrenergic Blocking Agents, Dihydropyridines, Miscellaneous Calcium Channel Blocking Agents, Diuretics, Angiotensin-Converting Enzyme Inhibitors, Angiotensin II Receptor Antagonists, Mineralocorticoid (Aldosterone) Receptor Antagonists, Central Alpha Agonists, Direct Vasodilators, Peripheral Adrenergic Inhibitors, Miscellaneous Hypotensive Agents, Hemostatics, Calcium Replacements, Electrolyte Depleters, Immunosuppressives, Alpha Glucosidase Inhibitors, Amylinomimetics, Biguanides, Dipeptidyl Peptidase-4 Inhibitors, Incretin Mimetics, Insulins, Meglitinides, Sulfonylureas, Thiazolidinediones, and Miscellaneous Diabetic Agents. Overrides will be granted only in cases in which the prescribing physician documents medical necessity for the recipient to be switched from a product in one of the above named classes to a brand name product within the same therapeutic class in the same calendar month. The first product must have been covered by Medicaid.

(4) **Coverage of New Drugs**

Except for excluded drugs listed in (2) above, Medicaid covers all new drugs marketed by a participating manufacturer for a period of 6 months after FDA approval and upon notification by the manufacturer of the new drug. Drugs may be subject to prior approval after that original 6 month period.

(5) **Confidentiality**

Medicaid regards information disclosed by the manufacturers or wholesalers as confidential and will not disclose such information in a form which discloses the identity of a specific manufacturer or wholesaler or prices charged for drugs as required in Section 1927 (b)(3)(D).

(6) **Reporting**

The state will report to each manufacturer not later than 60 days after the end of each calendar quarter and in a form consistent with the standard format established by the Secretary, utilization data on the total number of dosage units for each covered outpatient drug dispensed during a quarter and shall promptly transmit a copy of the report to the Secretary.

TN No. AL-11-008
Supersedes
TN No. AL-07-003

Approval Date: 10-13-11

Effective Date 10/1/2011