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State/Territory Name: Alabama

State Plan Amendment (SPA) #: 12-012

This file contains the following documents in the order listed:

- 1) RO Follow-Up Approval Letter
- 2) Pharmacy Approval Letter
- 3) CMS 179 Form
- 4) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Atlanta Regional Office
61 Forsyth Street, Suite 4T20
Atlanta, GA 30303



DIVISION OF MEDICAID & CHILDREN'S HEALTH OPERATIONS

August 30, 2012

Stephanie McGee Azar
Acting Commissioner
Alabama Medicaid Agency
501 Dexter Avenue
Post Office Box 5624
Montgomery, Alabama 36103-5624

RE: Alabama Title XIX State Plan Amendment (SPA), Transmittal # AL 12-012

Dear Ms. Azar:

This is to affirm approval of the above referenced State Plan Amendment which was submitted to the Regional Office on June 1, 2012. The State's requested effective date of June 1, 2012 has been accepted.

Enclosed for your records are:

1. a copy of the approval letter dated August 30, 2012 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 Melanie Benning, State Coordinator for Alabama, at 404-562-7414.

Sincerely,

//s//

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

Enclosures

Center for Medicaid and CHIP Services
Disabled and Elderly Health Programs Group

August 30, 2012

Stephanie McGee Azar
Acting Commissioner
Alabama Medicaid Agency
501 Dexter Avenue
P.O. Box 5624
Montgomery, AL 36103-5624

Dear Ms. Azar:

We have reviewed the Alabama State Plan Amendment (SPA) 12-012, received in the Atlanta Regional Office on June 1, 2012. The State of Alabama proposes to discontinue coverage for prescription drugs used for the symptomatic relief of cough and cold. The state will limit its coverage to over-the-counter antitussives, expectorants and sympathomimetic agents. Based on the information provided, we are pleased to inform you that SPA 12-012 is approved with an effective date of June 1, 2012.

A copy of the CMS-179 form as well as the pages approved for incorporation into the 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, ARA, Atlanta Regional Office
Melanie Benning, Atlanta Regional Office

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

1. TRANSMITTAL NUMBER:
AL-12-012

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
June 1, 2012

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 Section 447.15, 447.331 & Section 401

7. FEDERAL BUDGET IMPACT:
a. FFY 12 \$457,466 savings
b. FFY 13 \$1,372,400 savings

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 3.1-A, Page 5.12

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

Attachment 3.1-A, Page 5.12

10. SUBJECT OF AMENDMENT:

The primary purpose for this amendment is to discontinue coverage of legend (prescription only) brand and generic agents used for symptomatic relief of cough and cold. The Agency will continue to cover certain over-the-counter (OTC) cough and cold products in an effort to provide cost effective alternatives to recipients.

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:
//s//

13. TYPED NAME: Stephanie McGee Azar

14. TITLE: Acting Commissioner

15. DATE SUBMITTED: 06/01/12

16. RETURN TO:
Stephanie McGee Azar
Acting Commissioner
Alabama Medicaid Agency
501 Dexter Avenue
Post Office Box 5624
Montgomery, Alabama 36103-5624

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: 06-01-12

18. DATE APPROVED: 08/30/12

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: 06/01/12

20. SIGNATURE OF REGIONAL OFFICIAL:
//s//

21. TYPED NAME:
Jackie Glaze

22. TITLE: Associate Regional Administrator
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**

Effective Date: 07/01/91

(1) **General Coverage**

Medicaid covers only drugs of participating manufacturers which have entered into and comply with an agreement under Section 1927(a) of the Act which are prescribed for a medically accepted condition. Because of an extenuating circumstance waiver, drugs were covered from non-participating manufacturers through 3-31-91. Single source or innovator multiple source drugs classified by the Food and Drug Administration as 1A are covered if a rebate agreement has not been signed with the manufacturer if the state has made a determination that the availability of the drug is essential to the health of beneficiaries under the State Plan for Medical Assistance and the physician has requested and received prior approval in advance of its dispensing.

Effective Date: 01/01/06

- (2) Medicaid will not cover any Part D drug for full-benefit dual eligible individuals who are entitled to receive Medicare benefits under Part A or Part B.

Medicaid provides coverage, for all pharmacy eligible Medicaid recipients, including full-benefit dual eligible beneficiaries under the Medicare Prescription Drug Benefit (Part D), for the following excluded or otherwise restricted drugs or classes of drugs, or their medical uses – with the exception of those covered by Part D plans as supplemental benefits through enhanced alternative coverage as provided in 42 CFR 423.104 (f) (1) (ii) (A).

Excluded Drugs

The following outpatient drugs or classes of drugs, or their medical uses are excluded from coverage or otherwise restricted, unless noted:

- (a) Agents when used for anorexia, weight loss, or weight gain except for those specified by the Alabama Medicaid Agency.
 - Orlistat is covered under prior authorization with medical justification.
- (b) Agents when used to promote fertility except for those specified by the Alabama Medicaid Agency.
 - Drugs with fertility only FDA approved indications are not covered; drugs with fertility and non fertility FDA approved indications are covered.
- (c) Agents when used for cosmetic purposes or hair growth except for those specified by the Alabama Medicaid Agency.
 - Drugs with cosmetic only FDA approved indications are not covered; isotretinoin is covered for medical necessity with medical justification.

Effective Date: 06/01/12

- (d) Agents when used for the symptomatic relief of cough and cold except for those specified by the Alabama Medicaid Agency.
 - Over-the-counter (OTC) antitussives, expectorants, and sympathomimetic agents are covered.