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DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
JFK Federal Building, Government Center
Room 2275
Boston, Massachusetts 02203



Division of Medicaid and Children's Health Operations / Boston Regional Office

August 8, 2012

Roderick Bremby, Commissioner
Department of Social Services
25 Sigourney Street
Hartford, Connecticut 06106

Dear Mr. Bremby:

On August 2, 2012, our Central Office sent you a letter approving your proposed State Plan amendment (SPA) No. 11-035. This letter transmits the Transmittal and Notice of Approval State Plan Material (CMS-179) and the approved State Plan pages.

SPA 11-035 proposed to amend the maximum allowable cost for selected multi-source brand and generic drugs to range from average wholesale price (AWP) minus 72 percent to step down tiers through AWP minus 20 percent based on meeting specific invoice pricing criteria. This SPA has been approved effective November 1st, 2011, as requested by the State.

Changes are reflected in the following sections of your approved State Plan:

- Attachment 4.19B, Page 2

If you have any questions regarding this matter you may contact Marie Montemagno (617) 565-9157 or by e-mail at Marie.Montemagno@cms.hss.gov

Sincerely,

/s/

Richard R. McGreal
Associate Regional Administrator

cc: Mark Schaefer, Director, Medical Care Administration

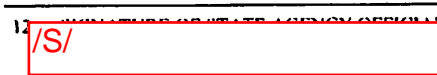
TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES	1. TRANSMITTAL NUMBER: 11-035	2. STATE: CT
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR CMS/CMSO DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE 11/01/2011	
5. TYPE OF STATE PLAN MATERIAL (Check One): <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT		

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION: 42 C.F.R. § 440.120, 42 C.F.R. § 447.518	7. FEDERAL BUDGET IMPACT a. FFY 2012 \$ 19.1 million -- savings b. FFY 2013 \$ 21.3 million -- savings
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19B, page 20	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If applicable) Attachment 4.19B, page 20

SUBJECT OF AMENDMENT: Under state plan amendment 11-035, the Department of Social Services proposes to amend Attachment 4.19B of the Connecticut Medicaid State Plan. Effective November 1, 2011, the Medicaid agency is making a change to revise the maximum allowable cost (MAC) reimbursement for selected multi-source drugs from AWP - 50% to a tiered reimbursement ranging from AWP - 72% to AWP -20%.

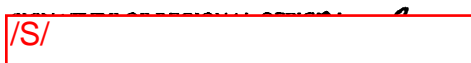
11. GOVERNOR'S REVIEW (Check One):
 GOVERNOR'S OFFICE REPORTED NO COMMENT
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL
 OTHER, AS SPECIFIED:
 Comments, if any, to follow.

12. SIGNATURE OF STATE AGENCY OFFICIAL: 	16. RETURN TO: State of Connecticut Department of Social Services 25 Sigourney Street Hartford, CT 06106-5033 Attention: Ginny Mahoney
13. TYPED NAME: Rodrick L. Brentor	
14. TITLE: Commissioner, Department of Social Services	
15. DATE SUBMITTED: December 30, 2011	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: 12/30/11	18. DATE APPROVED: 8/2/2012
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PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: November 1, 2011	20. 
21. TYPED NAME:	22. TITLE: Associate Regional Administrator
23. REMARKS: Division of Medicaid & Children's Health Oper. Pen & Ink change to box 8 and 9-attachment 4.19B, page 20 to Attachment 4.19B page 2 approved on 7/13/12 by State	

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% 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).
 - 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# 11-035

Supersedes

TN # 11-021

Approval Date 8/2/12

Effective Date 11-1-2011