

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**

October 30, 2013

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

Dear Mr. Bremby:

On October 24, 2013, our Central Office sent you a letter approving your proposed State Plan amendment (SPA) No. 13-005. This letter transmits the Transmittal and Notice of Approval State Plan Material (CMS-179) and the approved State Plan pages.

In SPA 13-005 the state proposes to reduce the dispensing fee from \$2.00 to \$1.70 for Medicaid covered outpatient prescription drugs. This SPA has been approved effective January 16, 2013, 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](mailto:Marie.Montemagno@cms.hss.gov)

Sincerely,

/s/

Richard R. McGreal  
Associate Regional Administrator

cc: Kate McEvoy, Interim Director, Medical Care Administration



STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
STATE CONNECTICUT

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(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 \$1.70; The State's estimated acquisition cost (E.A.C.) which is AWP -16% plus the professional Dispensing Fee of \$1.70; 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# 13-005

Supersedes

TN # 11-035

Approval Date 10/24/13

Effective Date: January 16, 2013