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State/Territory Name: District of Columbia

State Plan Amendment (SPA) #: 16-0002

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
150 S. Independence Mall West
Suite 216, The Public Ledger Building
Philadelphia, Pennsylvania 19106-3499



Region III/Division of Medicaid and Children's Health Operations

SWIFT # 031520164114

June 27, 2016

Claudia Schlosberg, J.D.
Senior Deputy Director/State Medicaid Director
Department of Health Care Finance
District of Columbia
441 4th Street, N.W., Suite 900 South
Washington, D.C. 20001

Dear Ms. Schlosberg:

Enclosed is a copy of the approved District of Columbia State Plan Amendment (SPA) No. 16-0002, with an effective date of May 1, 2016. This amendment will authorize the District of Columbia to reimburse chemotherapy drugs that are administered on or after May 1, 2016 at one hundred percent (100%) of the Medicare fee schedule.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a) and 1923 of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C.

Because the proposed SPA would reduce or restructure provider payment rates, The District was also required to demonstrate compliance with 42 CFR 447.203(b)(6) by completing an access review and analysis for the impacted services and establishing procedures to monitor continued access to care following implementation of the rate reductions or restructuring. Additionally, the state must adhere to the public process requirements set forth in 42 CFR 447.204. In compliance with these requirements, the state submitted the following to CMS with the proposed SPA:

- a. The District collaborated and outreached to stakeholders, primarily through the George Washington University Cancer Center, and also discussed the proposed change with other physicians and their health plans. In 2015, The District held an in person meeting with representatives of the cancer care community. Later in the year, District staff participated in a day long "Access to Cancer Care" summit. One of the critical barriers noted was lack of provider participation in Medicaid. The District held multiple follow up meetings in 2016 both in person and by conference call. The cancer care community fully supports the District's efforts to change the payment rate to 100% of Medicare. As evidenced the District provided CMS with a letter from George Washington University Cancer Center; which indicated that this SPA change is seen as a very positive change that will help improve access to treatment. The District also provided public notice via transmittal on July 2, 2015, and published public notice in the form of an emergency and proposed rule on April 15, 2016.
- b. The State concluded that individuals have access to care for physician administered chemotherapy drugs services that is comparable to the general population in the geographic area.

- c. The state made this analysis available to the public 30 days prior to submitting it to CMS and received zero comments.
- d. Monitoring procedures: In order to improve access to care the District will continue to analyze and monitor their fee schedule and encourage provider participation.
- e. Public Process: The District submitted a Notice of Emergency Rule Making

Based on CMS's review of this information and the conference calls held with the District on June 1, 2016 and June 13, 2016, the state has satisfactorily documented access to care consistent with the requirements of § 447.203 and conducted the public process and notice described in §§ 447.204 and 447.205. CMS will be periodically contacting the state to understand how the state's monitoring activities are progressing.

This letter affirms that The District of Columbia Medicaid state plan amendment 16-0002 is approved effective May 1, 2016 as requested by the state.

We are enclosing the HCFA-179 and the following amended plan pages.

- o Attachment 4.19B, Page 3c-4

If you have any questions regarding this matter you may contact Alice Robinson Penn at 215-421-8261 or by email at Alice.RobinsonPenn@cms.hhs.gov.

Sincerely,

A black rectangular redaction box covering the signature of Francis McCullough.

Francis McCullough
Associate Regional Administrator

Enclosures

cc: M. Diane Fields, DHCF
A. Weiss, DHCG

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL	1. TRANSMITTAL NUMBER: 16-002	2. STATE District of Columbia
	3. PROGRAM IDENTIFICATION: Title XIX of the Social Security Act	
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES	4. PROPOSED EFFECTIVE DATE May 1, 2016	
TO: Regional Administrator Centers for Medicare & Medicaid Services Department of Health and Human Services		

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 Section 1902(a)(23) of the Social Security Act (42 U.S.C. § 1396a(a)(23))	7. FEDERAL BUDGET IMPACT a. FFY 16 \$ 17,940.00 b. FFY 17 \$ 43,055.00
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19B, pages 3c and 4	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Attachment 4.19B, pages 3c and 4

10. SUBJECT OF AMENDMENT:

Reimbursement of Physician Administered Chemotherapy Drugs

11. GOVERNOR'S REVIEW (Check One)


GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED:
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED Resolution Number: 21-0557
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL 	16. RETURN TO Claudia Schlosberg, J.D. Senior Deputy Director/Medicaid Director Department of Health Care Finance 441 4 th Street, NW, 9 th Floor, South Washington, DC 20001
13. TYPED NAME Claudia Schlosberg J.D.	
14. TITLE Senior Deputy Director/Medicaid Director	
15. DATE SUBMITTED March 8, 2016	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED March 8, 2016	18. DATE APPROVED June 27, 2016
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PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL May 1, 2016	20. SIGNATURE OF REGIONAL OFFICIAL 
21. TYPED NAME Francis McCullough	22. TITLE Associate Regional Administrator

23. REMARKS

- (e) The acquisition cost for the remaining drug products are analyzed to produce the estimated acquisition cost for the drug group giving consideration to lower cost products (which means analyzing utilization and availability of the drug in the marketplace to ensure Medicaid eligibles will have access to the drug) for lower cost products.
 - (f) The resulting estimated acquisition cost is used to produce a MAC rate.
 - (g) The MAC rate will then be applied to all brand and generic drug products in that specific GSN.
- (3) The pharmacy's usual and customary charge to the general public.
 - (4) The estimated acquisition cost, as determined by the Department of Health Care Finance based upon information from drug manufacturers and local wholesale price data.
- f. Effective May 1, 2016, physician-administered drugs shall be reimbursed at eighty percent (80%) of the Medicare fee schedule, with the exception of physician-administered chemotherapy drugs which shall be reimbursed at one hundred percent (100%) of the Medicare fee schedule. Rates will be updated annually pursuant to the Medicare fee schedule, and will be published on DHCF's website at www.dc-medicaid.com.

DEFINITIONS

For the purposes of Section 3 in this State Plan Amendment, the following terms and phrases shall have the meanings ascribed:

Brand – any registered trade name commonly used to identify a drug.

Container – A light resistant receptacle designed to hold a specific dosage form which is or maybe in direct contact with the item and does not interact physically or chemically with the item or adversely affect the strength, quality, or purity of the item.

Department of Health Care Finance (DHCF) – The executive department responsible for administering the Medicaid program within the District of Columbia.

FUL - The Federal Upper Limit established by CMS

Multiple source drug – a drug marketed or sold by two (2) or more manufacturers or labelers.

Prescribed drugs – legend drugs approved as safe and effective by the U.S. Food and Drug Administration and those over-the-counter medications which fall into the following categories:

- (a) Oral analgesics with a single active ingredient (e.g., aspirin, acetaminophen, ibuprofen, etc.);
- (b) Ferrous salts (sulfate, gluconate, etc.);
- (c) Aluminum, magnesium, bismuth, etc.);

- (d) Diabetic preparations (e.g., Insulin, syringes, etc.);
- (e) Pediatric, prenatal and geriatric vitamin formulations;
- (f) Family planning drugs and supplies; and
- (g) Senna extract, single dose preparations when required for diagnostic radiological procedures performed under the supervision of a physician.

6. Physician and Specialty Services

- (a) For service where the procedure code falls within the Medicare (Title XVIII) fee schedule, payment will be the lesser of the Medicare rate; the actual charges to the general public; or the rate listed in DHCF's fee schedule. Effective January 1, 2011, DHCF will use the Medicare rates to determine the Medicaid rates for services on or after that date. Beginning January 1, 2011, physician and specialty services rates will be reimbursed at eighty percent (80%) of the Medicare rate. All rates will be updated annually pursuant to the Medicare fee schedule. Except as otherwise noted in the Plan, State developed fee schedule rates are the same for both governmental and private individual practitioners and the fee schedule and any annual/periodic adjustments to the fee schedule are published in www.dc-medicaid.com. Effective January 1, 2015 through September 30, 2015, the state reimburses for services provided by physicians with a primary specialty designation of family medicine, pediatric medicine or internal medicine using the enhanced rates in effect pursuant to the requirements of 42 C.F.R. § 447.400(a).

Effective January 1, 2016, the state reimburses for specified services provided by qualified physicians and advanced practice registered nurses (APRNs) with a primary specialty designation of family medicine, pediatric medicine, psychiatry, obstetrics and gynecology or internal medicine utilizing Evaluation and Management (E&M) Codes and Vaccine Administration Codes authorized in Supplement 3 to Attachment 4.19B. Both physicians and APRNs shall deliver services that are predicated upon their scopes of practice and are in accordance with rules and regulations promulgated by the District of Columbia Health Occupations Board.

- (b) Effective January 1, 2011, for services where the procedure code does not fall within the Medicare fee schedule, DHCF will apply the lowest of the following: (1) usual and customary charges; (2) rates paid by the surrounding states of Maryland and Virginia; or (3) rates set by national benchmark compendiums when available.