

## **Table of Contents**

**State/Territory Name: Florida**

**State Plan Amendment (SPA) #: 16-0008**

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, Georgia 30303



**DIVISION OF MEDICAID & CHILDREN'S HEALTH OPERATIONS**

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April 5, 2016

Mr. Justin M. Senior  
Deputy Secretary for Medicaid  
Agency for Health Care Administration  
2727 Mahan Drive, MS #8  
Tallahassee, Florida 32308

RE: Title XIX State Plan Amendment, FL 16-0008

Dear Mr. Senior:

This is to affirm approval of the above referenced State Plan Amendment which was submitted to the Regional Office on January 29, 2016. The State's requested effective date of January 1, 2016 has been accepted.

Enclosed for your records are:

1. a copy of the approval letter dated March 31, 2016 that was submitted to the State by John M. Coster, 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 Cheryl Brimage, State Coordinator for Florida, at 404-562-7116.

Sincerely,

//s//

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

Enclosures

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S2-14-26  
Baltimore, Maryland 21244-1850



## **Disabled & Elderly Health Programs Group**

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March 31, 2016

Justin M. Senior, Deputy Secretary for Medicaid  
Agency for Health Care Administration  
2727 Mahan Drive, Mail Stop #8  
Tallahassee, FL 32308  
Attention: April Cook

Dear Mr. Senior,

We have reviewed Florida's State Plan Amendment (SPA) 16-0008 received in the Centers for Medicare and Medicaid Services (CMS) Atlanta Regional Office on January 29, 2016. This amendment proposes to delete outdated language and update the Florida Medicaid reimbursement methodology for covered outpatient drugs; this includes removing the Average Wholesale Price (AWP) reimbursement methodology because First Data Bank stopped updating AWP prices in September 2011.

We are pleased to inform you that the amendment is approved, effective January 1, 2016. Per your approval, we made the requested changes to blocks eight and nine on the CMS-179 form. A copy of the CMS-179 form, as well as the pages approved for incorporation into the Florida state plan, will be forwarded by the Atlanta Regional Office. If you have any questions regarding this amendment, please contact Terry Simananda at (410) 786-8144.

Sincerely,

/s/

John M. Coster, Ph.D., R.Ph.  
Director  
Division of Pharmacy

cc: Jackie Glaze, ARA, Atlanta Regional Office  
Cheryl Brimage, MHA, Atlanta Regional Office

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>  <b>FOR: HEALTH CARE FINANCING ADMINISTRATION</b>		1. TRANSMITTAL NUMBER: 2016-008	2. STATE Florida
		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 January 1, 2016	
5. TYPE OF PLAN MATERIAL ( <i>Check One</i> ):  <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 ( <i>Separate Transmittal for each amendment</i> )			
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 447.516		7. FEDERAL BUDGET IMPACT: (in thousands) FFY 2015-2016 \$0 FFY 2016-2017 \$0	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B pages: 4 and 4a Attachment 4.18-A page 1.1 Attachment 4.18-C page 1.1		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT ( <i>If Applicable</i> ): Attachment 4.19-B pages 4 and 4a Attachment 4.18-A page 1.1 Attachment 4.18-C page 1.1	
10. SUBJECT OF AMENDMENT: Prescription Drugs and Co-insurance			
11. GOVERNOR'S REVIEW ( <i>Check One</i> ): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED                      Reviewed by the Deputy Secretary for Medicaid <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL                      who is the Governor's designee.			
12. SIGNATURE OF STATE AGENCY OFFICIAL: /s/		16. RETURN TO: Mr. Justin M. Senior Deputy Secretary for Medicaid Agency for Health Care Administration 2727 Mahan Drive, Mail Stop #8 Tallahassee, FL 32308  Attention: April Cook	
13. TYPED NAME: Mr. Justin M. Senior			
14. TITLE: Deputy Secretary for Medicaid			
15. DATE SUBMITTED: 01/29/16			
<b>FOR REGIONAL OFFICE USE ONLY</b>			
17. DATE RECEIVED: 01/29/16		18. DATE APPROVED: 03/31/16	
<b>PLAN APPROVED – ONE COPY ATTACHED</b>			
19. EFFECTIVE DATE OF APPROVED MATERIAL: 01/01/16		20. SIGNATURE OF REGIONAL OFFICIAL: /s/	
21. TYPED NAME: Jackie Glaze		22. TITLE: Associate Regional Administrator Division of Medicaid & Children Health Opns	
23. REMARKS: 23. REMARKS: Approved with following changes to block # 8 and 9 as authorized by the state.  Block # 8 changed to read: Attachment 4.19-B pages 4 and 4a.  Block # 9 changed to read: Attachment 4.19-B pages 4 and 4a.			

7/1/2004      PRESCRIBED DRUGS

Reimbursement for prescribed drug claims is made in accordance with the provisions of 42 CFR 447.516.

1. Reimbursement for covered drugs dispensed by a licensed pharmacy that has been approved as a Medicaid provider, or a dispensing physician when approved by Florida Medicaid, shall not exceed the lesser of:
  - i. The Federal upper limit (FUL) plus a dispensing fee of \$3.73.
  - ii. The wholesaler acquisition cost (WAC) plus 1.5%, plus a dispensing fee of \$3.73.
  - iii. The state maximum allowable cost (SMAC) plus a dispensing fee of \$3.73.
  - iv. The provider's usual and customary (U&C) charge, including the dispensing fee.
  - v. The actual acquisition cost, plus a dispensing fee of \$7.50. This provision only applies to covered entities, and federally qualified health centers or their contracted agents that dispense or administer drugs purchased at prices authorized under section 340B of the Public Health Service Act.
  
2. Products that are prohibited from generic substitution under state statutes may be declared "medically necessary" and reimbursed at the appropriate rate from the drug pricing file.
  
3. Definitions
  - (a) WAC - The wholesaler acquisition cost
  - (b) FUL - Federal upper limit of payment as established by the Centers for Medicare and Medicaid Services (CMS) for multiple source drugs.

Amendment 2016-008  
Effective 1/01/16  
Supersedes 2012-007  
Approval: 03/31/16

PRESCRIBED DRUGS (continued)

- (c) SMAC – State Maximum Allowable Cost is the maximum allowable unit cost established by the State.
  - i. The State may manually set a MAC after determining the actual acquisition costs from manufacturers or wholesalers to pharmacies.
- (d) UAC – Usual and Customary – The average charge to all other customers in any quarter for the same drug, quantity and strength.

4. Dispensing Fees

Dispensing fees for the program are determined on the basis of surveys that are conducted periodically and take into account such pharmacy operational costs as overhead, professional services and profit. A dispensing fee per payable prescription shall be paid to pharmacies, unless the pharmacy is billing a qualified entity using 340B ingredient cost. . For in-house unit dose packaging (as opposed to manufacturer pre-packaged), add 1 1/2 cents per dose.

Amendment 2016-008  
Effective 1/01/16  
Supersedes 2009-008  
Approval 03/31/16