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State/Territory Name: IL

State Plan Amendment (SPA) #: 13-002

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

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

July 16, 2014

Ms. Julie Hamos
Director of Healthcare and Family Services
Department of Healthcare and Family Services
Bureau of Program and Reimbursement Analysis
201 South Grand Avenue East
Springfield, IL 62763-0001
Attn: Theresa Eagleson

Dear Ms. Hamos,

We have reviewed Illinois State Plan Amendment (SPA) 13-002, MIPPA Provisions – Outpatient Drug Coverage, received in the Chicago Regional Office on March 28, 2013. This amendment proposes to exclude from coverage benzodiazepines for all conditions and barbiturates for the treatment of epilepsy, cancer and chronic mental health disorders for full benefit dual eligible as Medicare Part D will provide this coverage. Additionally, this amendment proposes to update the list of categories of drugs exempt from the coverage exclusion.

Based on the information provided, we are pleased to inform you that consistent with the regulations at 42 CFR 430.20, SPA 13-002 is approved with an effective date of January 1, 2013. A copy of the CMS-179 form, as revised, as well as the pages approved for incorporation into the Illinois state plan, will be forwarded by the Chicago Regional Office. If you have any questions regarding this amendment, please contact Terry Simananda at (410) 786-8144.

Sincerely,

/s/

Joseph L. Fine
Acting Director
Division of Pharmacy


cc: Theresa Eagleson, Department of Healthcare and Family Services
Verlon Johnson, ARA, Chicago Regional Office
Catherine Song, Chicago Regional Office

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTER FOR MEDICARE AND MEDICAID SERVICES	1. TRANSMITTAL NUMBER 13-002	2. STATE: ILLINOIS
	3. PROGRAM IDENTIFICATION: Title XIX of the Social Security Act (Medicaid)	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE AND MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE: January 1, 2013	

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 of the Social Security Act	7. FEDERAL BUDGET IMPACT a. FFY 2013 (\$1.8 Million) b. FFY 2014 (\$2.4 Million)
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 3.1-A, Page 43 Pages 11-13 Attachment 3.1-B, Page 42 Pages 10-12 Appendix to Attachment 3.1-A, Page 10	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 3.1-A, Page 43 Attachment 3.1.A.1, Pages 11-13 Attachment 3.1-B, Page 42 Attachment 3.1.B.1, Pages 14-1 Appendix to Attachment 3.1-A, Page 10
10. SUBJECT OF AMENDMENT: MIPPA Provisions – Outpatient Drug Coverage	
11. GOVERNOR'S REVIEW (Check One) <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: Not submitted for review by prior approval.	
12. SIGNATURE OF AGENCY OFFICIAL: 	16. RETURN TO: Department of Healthcare and Family Services Bureau of Program and Reimbursement Analysis Attn: Theresa Eagleson 201 South Grand Avenue East Springfield, IL 62763-0001
13. TYPED NAME: Julie Hamos	
14. TITLE: Director of Healthcare and Family Services	
15. DATE SUBMITTED 3/28/13	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: 3/28/13	18. DATE APPROVED: 7/16/14
PLAN APPROVED—ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: 1/1/13	20. SIGNATURE OF REGIONAL OFFICIAL: /s/
21. TYPED NAME Alan Freund	22. TITLE: Acting Associate Regional Administrator
23. REMARKS:	

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Illinois

**MEDICAID PROGRAM: REQUIREMENTS RELATING TO COVERED
OUTPATIENT DRUGS FOR THE CATEGORICALLY NEEDY**

1935(d)(1) Effective January 1, 2006, the Medicaid agency 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.

TN # 13-002
Supersedes
TN # 06-02

Approval date: 7/16/14

Effective date: 01/01/2013

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Illinois

AMOUNT, DURATION, AND SCOPE OF SERVICES

1927(d)(2)
and 1935(d)(2)

1. The Medicaid agency provides coverage for the following excluded or otherwise restricted drugs or classes of drugs, or their medical uses to all Medicaid recipients, including full benefit dual eligible beneficiaries under the Medicare Prescription Drug Benefit-Part D.

The following excluded drugs are covered:

- (a) Agents when used for anorexia, weight loss, weight gain (see specific drug categories below).
- (b) Agents when used to promote fertility (See specific drug categories below)
- (c) Agents when used for cosmetic purposes or hair growth (see specific drug categories below).
- (d) Agents when used for the symptomatic relief of cough and colds (see specific drug categories below).

01/13

Antitussive/expectorant and antitussive/antihistamine combinations.

- (e) Prescription vitamins and mineral products, except prenatal vitamins and fluoride (See specific drug categories below).

01/13

Vitamin D preparations, vitamin K preparations, folic acid and vitamin B12 injectable.

- (f) Nonprescription drugs (See specific drug categories below).

01/13

Analgesic-pediatric formulations, antacids, antidiarrheals, antiemetic/antivertigo agents, antifungals, hemorrhoidal preps, hyperglycemics, irritants/counter-irritants, keratolytics, laxatives, ophthalmic preparations, sodium/saline preparations, topical antibacterials and antibiotics, topical antiparasitics.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Illinois

**MEDICAID PROGRAM: REQUIREMENTS RELATING TO COVERED
OUTPATIENT DRUGS FOR THE CATEGORICALLY NEEDY**

1927(d)(2)
and 1935(d)(2)
01/13

- (g) Covered outpatient drugs which the manufacturer seeks to require as a condition of sale that associated tests or monitoring services be purchased exclusively from the manufacturer or its designee (see specific drug categories below).
- (h) Barbiturates, except for dual eligible individuals effective January 1, 2013 when used in the treatment of epilepsy, cancer or chronic mental health disorder as Part D will cover those indications. (See specific drug categories below).
- (i) Benzodiazepines, except for dual eligible individuals effective January 1, 2013 as Part D will cover all indications. (See specific drug categories below).
- (j) Agents when used to promote smoking cessation; (Beginning January 1, 2006 for non Part D eligible individuals only.) Coverage of all FDA approved prescription and over-the-counter smoking cessation products.

(The Medicaid agency lists specific category of drugs below)

- No excluded drugs are covered.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State: Illinois

**MEDICAID PROGRAM: REQUIREMENTS RELATING TO COVERED
OUTPATIENT DRUGS FOR THE MEDICALLY NEEDY**

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STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

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**MEDICAID PROGRAM: REQUIREMENTS RELATING TO COVERED
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STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

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AMOUNT, DURATION, AND SCOPE OF SERVICES

12a. PRESCRIBED DRUGS

10/08 Illinois shall provide coverage for covered outpatient drugs when prescribed by a licensed provider within the scope of their license and practice as allowed by State law within the meaning of Section 1927(k) of Title XIX of the *Social Security Act* of any manufacturer which has entered into and complies with a rebate agreement with the federal Centers for Medicare & Medicaid Services (CMS). The Department may require prior authorization for the reimbursement of any covered outpatient drugs. Drug prior authorization is administered under the provisions of Section 1927 (d)(5) of the *Social Security Act*. For certain classes of drug therapy, the process for deciding which drugs, of those determined to be of similar therapeutic efficacy, will require prior authorization (are not preferred drugs) will include a comparison of net drug cost. Net drug cost is determined considering published drug wholesale prices and federal and State Supplemental or other rebate amounts. For drugs requiring prior authorization, an automated voice response system is used to meet the requirements for providing a response within 24 hours. Up to a 72-hour supply of medication requiring prior authorization may be dispensed in an emergency. Providers may request prior approval for other items subject to the medical necessity of the client and the issuance of a valid prescription or medication order by the prescriber.

The State is in compliance with Section 1927 of the *Social Security Act*. Based on the requirements for Section 1927 of the Act, the State has the following policies for supplemental rebates:

- 10/08 ● Supplemental rebate agreements between the state and drug manufacturers that are separate from the drug rebate agreements of Section 1927 are authorized by the Centers for Medicare & Medicaid Services.
- 10/08 ● The State may negotiate supplemental rebates in addition to the federal rebates provided for in title XIX. Supplemental rebate agreements between the State and a pharmaceutical manufacturer are separate from the federal rebates. The separate agreement must provide for rebates that are at least as large as the rebates set forth in the national rebate agreement. That is, the agreement cannot reduce current rebates.
- The State reports rebates from separate agreements to the Secretary for Health and Human Services. The state will remit the federal portion of any supplemental rebates collected on the same percentage basis as applied under the national rebate agreement.
- 10/08 ● CMS has authorized the State of Illinois to enter into supplemental rebate agreements with drug manufacturers for drugs provided to Medicaid beneficiaries. The “State of Illinois Supplemental Rebate Agreement” template was submitted to CMS on September 16, 2009, and has been authorized by CMS.