

## **Table of Contents**

**State/Territory Name: IL**

**State Plan Amendment (SPA) #: 13-004**

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**

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September 12, 2014

Ms. Theresa Eagleson  
Administrator  
Division of Medical Programs  
Illinois Department of Healthcare and Family Services  
201 South Grand Avenue East  
Springfield, Illinois 62763-0002

Dear Ms. Eagleson:

We have reviewed Illinois State Plan Amendment (SPA) 13-004, Prescribed Drugs, received in the Chicago Regional Office on March 28, 2013. This amendment proposes to change the dispensing fee for 340B purchased drugs to \$12.00 for both single source and multiple source drugs.

Based on the information provided, we are pleased to inform you that consistent with the regulations at 42 CFR 430.20, SPA 13-004 is approved with an effective date of February 1, 2013. A copy of the signed CMS-179 form, as well as the pages approved for incorporation into the Illinois state plan will be forwarded by the Chicago City Regional Office.

If you have any questions regarding this SPA, please contact Lisa Ferrandi at (410) 786-5445.

Sincerely,

/s/

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

cc: Verlon Johnson, ARA, Chicago Regional Office  
Catherine Song, Chicago Regional Office  
Bernadette Leeds, CMS Division of Pharmacy

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTER FOR MEDICARE AND MEDICAID SERVICES</b>	1. TRANSMITTAL NUMBER <b>13-004</b>	2. STATE: <b>ILLINOIS</b>
	3. PROGRAM IDENTIFICATION: <b>Title XIX of the Social Security Act (Medicaid)</b>	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE AND MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE: <b>February 9, 2013</b>	

5. TYPE OF PLAN MATERIAL (Check One)

NEW STATE PLAN  AMENDMENT TO BE CONSIDERED AS NEW PLAN  AMENDMENT

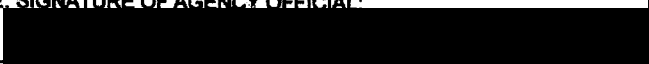
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION: <b>Section 1902 of the Social Security Act</b>	7. FEDERAL BUDGET IMPACT a. FFY 2013 \$0.0 Million b. FFY 2014 \$0.0 Million
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8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: <b>Attachment 4.19-B, Page 32</b>	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): <b>Attachment 4.19-B, Page 32</b>
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10. SUBJECT OF AMENDMENT:  
**Prescription Drugs - 340B Dispensing Fee**

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: Not submitted for review by prior approval.

12. SIGNATURE OF AGENCY OFFICIAL: 	16. RETURN TO: <b>Department of Healthcare and Family Services Bureau of Program and Reimbursement Analysis Attn: Theresa Eagleson 201 South Grand Avenue East Springfield, IL 62763-0001</b>
13. TYPED NAME: <b>Julie Haimos</b>	
14. TITLE: <b>Director of Healthcare and Family Services</b>	
15. DATE SUBMITTED: <b>3/28/13</b>	

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED: 3/28/13	18. DATE APPROVED: 9/12/14
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**PLAN APPROVED—ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL: 2/1/13	20. SIGNATURE OF REGIONAL OFFICIAL: /s/
21. TYPED NAME: Alan Freund	22. TITLE: Acting Associate Regional Administrator

23. REMARKS: **Pen and Ink change to BOX #4,  
changing effective date to February 1, 2013.**

State: Illinois

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES—  
OTHER TYPE OF CARE—BASIS FOR REIMBURSEMENT

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07/02 4. PRESCRIBED DRUGS:

- 07/12 a. REIMBURSEMENT. Except for Critical Clinic Providers described in Chapter 1, subsection (1)(e), pharmacies will be reimbursed for prescribed drugs at the lower of:
- i. The pharmacy's usual and customary charge to the general public.
  - ii. The applicable methodology from among the following plus the applicable dispensing fee:
    - A. Single source legend drugs. Effective July 1, 2012, the lower of:
      - Wholesale acquisition cost of national drug code on claim
      - The State upper limit.
    - B. Multiple source legend drugs. Effective July 1, 2012, the lower of:
      - Wholesale acquisition cost of national drug code on claim
      - The federal upper limit.
      - The State upper limit.
- 07/12 b. For multiple source legend and OTC drugs, the State upper limit reimbursement will apply to certain drug products that meet therapeutic equivalency, market availability, and other criteria deemed appropriate by the Agency. Multiple source drugs are subject to a State upper limit where the Food and Drug Administration (FDA) has rated at least two drug products pharmaceutically and therapeutically equivalent, including at least one non-innovator product. Single-source legend and OTC drugs will be subject to a State upper limit, on a case-by-case basis, where acquisition cost data demonstrates that acquisition cost is consistently and significantly lower than WAC for a particular drug.
- 02/13 c. DISPENSING FEE: Effective July 1, 2012, the dispensing fee shall be \$2.40 for single source drugs and \$5.50 for multiple source drugs, and effective February 1, 2013, the dispensing fee for 340B purchased drugs shall be \$12.00 for both single source and multiple source drugs. Only one dispensing fee shall be paid for each 30 day supply of drugs dispensed.
- d. CRITICAL CLINIC PROVIDERS. Reimbursement for prescribed drugs dispensed by Critical Clinic Providers shall be at the rate described in Chapter 1, subsection (1)(e)(ii) for that class of providers.
- 02/12 e. PRICING. Drug prices are updated no less frequently than monthly utilizing data procured from a national drug database source.