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State/Territory Name: IL

State Plan Amendment (SPA) #: 15-0006

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

January 5, 2016

Felicia F. Norwood
Director
Illinois Department of Healthcare and Family Services
Bureau of Program and Reimbursement Analysis
201 South Grand Avenue East
Springfield, IL 62763-0001

Dear Ms. Norwood:

We have reviewed Illinois (IL) State Plan Amendment (SPA) 15-0006 received in the Chicago Regional Office on May 22, 2015. Under this SPA, the state proposes to reduce the dispensing fee from \$2.40 to \$1.40 for single source drugs, \$4.50 to \$3.50 for multiple source drugs and \$12.00 to \$11.00 for 340B purchased single source and multiple source drugs. We are pleased to inform you that the amendment is approved, effective for dates of service May 1, 2015 through June 30, 2015.

A copy of the CMS-179 form as well as the page approved for incorporation into the IL state plan will be forwarded to you by the Chicago Regional Office. If you have any questions regarding this SPA approval please contact Gail Sexton at (410)-786-4583.

Sincerely,

/s/

John M. Coster, PhD, RPh
Director
Division of Pharmacy

cc: Ruth Hughes, ARA, Chicago Regional Office
Courtenay Savage, Chicago Regional Office

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTER FOR MEDICARE AND MEDICAID SERVICES	1. TRANSMITTAL NUMBER 15-0006	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: May 1, 2015	

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 2015 (\$18,953.50) b. FFY N/A
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B, Page 32	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>): Attachment 4.19-B, Page 32

10. SUBJECT OF AMENDMENT:
Pharmacy Dispensing Fees – Reduction

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: Department of Healthcare and Family Services Bureau of Program and Reimbursement Analysis Attn: Mary Doran 201 South Grand Avenue East Springfield, IL 62763-0001
13. TYPED NAME: Felicia F. Norwood	
14. TITLE: Director of Healthcare and Family Services	
15. DATE SUBMITTED 5/22/15	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: May 22, 2015	18. DATE APPROVED: January 5, 2016
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PLAN APPROVED—ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: May 1, 2015	20. SIGNATURE OF REGIONAL OFFICIAL: /s/ Alan Freund
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**

**METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES—
OTHER TYPE OF CARE—BASIS FOR REIMBURSEMENT**

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 21, 2012, the lower of:
 - Wholesale acquisition cost of national drug code on claim
 - The State upper limit.
- B. Multiple source legend drugs. Effective July 21, 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.

- 07/12 c. DISPENSING FEE: Effective July 21, 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.

05/15 Effective for dates of service May 1, 2015 through June 30, 2015, the dispensing fee shall be \$1.40 for single source drugs, \$4.50 for multiple source drugs, and \$11.00 for 340B purchased 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.