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State/Territory Name: IN

State Plan Amendment (SPA) #: 13-010

This file contains the following documents in the order listed:

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

Department of Health & Human Services
Centers for Medicare & Medicaid Services
233 North Michigan Avenue, Suite 600
Chicago, Illinois 60601-5519



December 18, 2013

Mr. Joseph Moser
Director of Medicaid
Indiana Office of Medicaid Policy and Planning
402 West Washington Street, Room W374
Indianapolis, IN 46204

Attention: Ms. Amber Swartzell

Dear Mr. Moser:

Enclosed for your records is the revised CMS-179 form for Transmittal # 13-010. This SPA was approved on November 14, 2013. The revised CMS-179 form clarifies that the State added Attachment 4.19-B, page 1d to the amendment. This page supersedes the previous Attachment 4.19-B, page 1d. This pen and ink change was made to Boxes 8 and 9 on the CMS-179. The SPA pages remain unchanged.

If you have any questions, please have a member of your staff contact Elizabeth Lewis at (312) 353-1756 or by email at elizabeth.lewis@cms.hhs.gov or Wendy Tuttle at (410) 786-8690 or by email at wendy.tuttle@cms.hhs.gov.

Sincerely,

/s/

Verlon Johnson
Associate Regional Administrator
Division of Medicaid and Children's Health Operations

Enclosure

cc: Wendy Tuttle, CMCS

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

1. TRANSMITTAL NUMBER:
13-010

2. STATE
Indiana

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE
SOCIAL SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE
January 1, 2014

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:

~~42 CFR 602~~
42 CFR 447.512

7. FEDERAL BUDGET IMPACT:

- a. FFY 2014 \$5,864 (Thousands)
b. FFY 2015 \$8,448 (Thousands)

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

~~Attachment 4.19A Page 1d~~
Attachment 4.19B Page 1d

PI
12/6/13

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

~~Attachment 4.19A Page 1d~~
Attachment 4.19B Page 1d

PI
12/6/13

10. SUBJECT OF AMENDMENT:

This amendment increases the pharmacy dispensing fee from \$3.00 to \$3.90 effective January 1, 2014.

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:

Indiana's Medicaid State Plan does not require the
Governor's review. See Section 7.4 of the State Plan

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME: Pat Nolting

14. TITLE: Interim Director of Medicaid

15. DATE SUBMITTED: 9-17-13

16. RETURN TO:

Pat Nolting
Interim Director of Medicaid
Indiana Office of Medicaid Policy and Planning
402 West Washington Street, Room W382
Indianapolis, IN 46204
ATTN: Audie Gilmer, State Plan Coordinator

FOR REGIONAL OFFICE USE ONLY	
17. DATE RECEIVED September 17, 2013	18. DATE APPROVED November 12, 2013
19. SIGNATURE OF REGIONAL OFFICIAL	
20. TITLE Associate Regional Administrator	
21. REMARKS PI Change approved by State through email questions 10/16/13 Pen link change approved by State to boxes 8-19 via email on 12/6/13.	

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Pharmacy Services

1. Legend Drugs - Payment is based on the lowest of:

- (A) For brand name drugs, AWP as of the date dispensed – 16% plus a \$3.90 dispensing fee
- (B) For generic drugs, AWP as of the date dispensed – 20% + a \$3.90 dispensing fee;
- (C) Applicable Federal Upper Limit (“FUL”) as established by CMS, as of the date dispensed, plus a \$3.90 dispensing fee;
- (D) Applicable State Maximum Allowable Cost (“State MAC”) as of the date dispensed, plus a \$3.90 dispensing fee;
- (E) The provider's usual and customary charge for the drug to the general public (which is the charge to be submitted to Indiana Medicaid), as of the date dispensed;

minus a recipient copayment amount, where applicable, as set out in Attachment 4.18-A.

The upper limit for a multiple source legend drug for which a specific FUL or State MAC has been established does not apply when a physician specifies the medical necessity of the brand name product by handwriting the words "Brand Medically Necessary" on the form, and obtains prior authorization for that specification.

2. Non-Legend (OTC) Drugs - Payment is based on the lower of:

- (A) One hundred fifty percent (150%) of:

The State maximum allowable cost for the OTC drug, as set out in the Medicaid Pharmacy Provider Manual and amendments thereto, in the quantity dispensed, as of the date dispensed, minus any applicable copayment amount; or
- (B) The provider's usual and customary charge for the OTC drug to the general public (which is the charge to be submitted to Indiana Medicaid), as of the date dispensed;

minus any applicable drug copayment amount.

OTC insulin is reimbursed at the estimated acquisition cost (EAC) of the drug, plus any applicable Medicaid dispensing fee. EAC is:

- (1) for brand name drugs, eighty-four percent (84%); or
- (2) for generic drugs, eighty percent (80%)

of the average wholesale price for each National Drug Code according to the Medicaid contractor's drug database file.

TN # 13-010

Supersedes

TN # 11-002

Approval Date 11/14/13 Effective Date January 1, 2014