

State Plan under Title XIX of the Social Security Act
State: Massachusetts
Amount, Duration and Scope of Medical
And Remedial Care and Services Provided to the Categorically Needy

2. A rebate agreement between the state and a drug manufacturer for drugs provided to the Medicaid program, submitted to CMS on June 26, 2012, and entitled, "State of Massachusetts Supplemental Rebate Agreement" has been authorized by CMS.
3. Manufacturers with supplemental rebate agreements are allowed to audit utilization data. Supplemental rebates received by the state in excess of those required under the National Drug Rebate Agreement (NDRA) will be shared with the federal government on the same percentage basis as applied under the NDRA.
4. The unit rebate amount under the NDRA is confidential and cannot be disclosed in accordance with Section 1927(b)(3)(D) of the Social Security Act. No substantial changes will be made to the supplemental rebate agreement without CMS authorization. Supplemental rebates received pursuant to these agreements are only for the MassHealth program.
5. All drugs covered by the program, irrespective of a supplemental rebate agreement, will comply with the provisions of the NDRA.
6. The prior authorization process for covered outpatient drugs conforms to Section 1927(d)(5) of the Social Security Act. The prior authorization process provides for a turnaround response by either telephone or other telecommunications device within twenty-four hours of receipt of a prior authorization request. In emergency situations, providers may dispense at least a seventy-two hour supply of medication.
7. The state may agree within the terms of a supplemental rebate agreement that the covered drug(s) may or may not be subject to prior authorization, for as long as the agreement is in effect, and that the State may obtain supplemental drug rebates in either case. The state may impose prior authorization on a drug covered under this agreement in instances where the drug may be part of a "step-edit" approach to managing the preferred drug list. This 'step edit' occurs when a preferred drug does not require prior authorization and the next line drug does require prior authorization.
8. In addition to collecting rebates based on the concept of "net unit pricing", the state may continue to collect rebates based on a percentage of AMP for arrangements that were in effect prior to May 26, 2012. This type of rebate collection may be defined as a "price concession".
9. Only drugs supplied to MassHealth members will be covered under this agreement.

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.

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 (for medically necessary appetite stimulants only)
- (b) agents when used to promote fertility
- (c) agents when used for cosmetic purposes or hair growth
- (d) agents when used for the symptomatic relief cough and colds
- (e) prescription vitamins and mineral products, except prenatal vitamins and fluoride

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Supplement to Attachment 3.1-B
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