

## **Table of Contents**

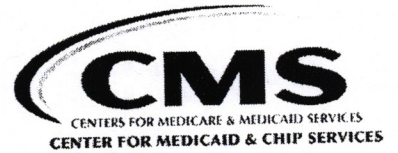
**State/Territory Name: MI**

**State Plan Amendment (SPA) #: 15-0011**

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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October 27, 2015

Kathleen Stiffler  
Acting Director, Medical Services Administration  
Actuarial Division – Federal Liaison  
Capitol Commons Center – 7th Floor  
400 South Pine  
Lansing, Michigan 48933

Attention: Erin Black

Dear Ms. Stiffler,

We have reviewed Michigan's State Plan Amendment (SPA) 15-0011 received in the Chicago regional office on August 20, 2015. This SPA proposed to establish a pharmacy product reimbursement category related to physician administered injectable drugs. Specifically, the SPA proposed to allow pharmacy providers to be reimbursed for behavioral health injectable drugs and 17-Hydroxyprogesterone Caproate which are both to be administration in a hospital or outpatient clinic using a rate based on the National Drug Code (NDC).

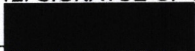
We are pleased to inform you that the amendment is approved with an effective date of July 1, 2015. A copy of the CMS-179 form, as well as the page(s) approved for incorporation into the Michigan state plan, will be forwarded to you by the Chicago regional office. If you have any questions regarding this amendment, please contact Emeka Egwim at (410) 786-1092.

Sincerely,

/s/

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

cc: Ruth Hughes, ARA, Chicago Regional Office  
Leslie Campbell, Chicago Regional Office

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b> <b>FOR: HEALTH CARE FINANCING ADMINISTRATION</b>		1. TRANSMITTAL NUMBER: <b>15 - 0011</b>	2. STATE: <b>Michigan</b>
		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID) TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH FINANCING ADMINISTRATION DEPARTMENT OF HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE  <b>July 1, 2015</b>	
5. TYPE OF PLAN MATERIAL ( <i>Check One</i> ):  <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT			
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT ( <i>Separate Transmittal for each amendment</i> )			
6. FEDERAL STATUTE/REGULATION CITATION:		7. FEDERAL BUDGET IMPACT: a. FFY 2015 \$0 b. FFY 2016 \$0	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B, Page 1c		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT ( <i>If Applicable</i> ): Attachment 4.19-B, Page 1c	
10. SUBJECT OF AMENDMENT: Establish a pharmacy product reimbursement category related to physician -administered injectable drugs.			
11. GOVERNOR'S REVIEW ( <i>Check One</i> ): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED      Kathleen Stiffler, Acting Director <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL      Medical Services Administration			
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO: Medical Services Administration Actuarial Division - Federal Liaison Capitol Commons Center - 7 <sup>th</sup> Floor 400 South Pine Lansing, Michigan 48933  Attn: Erin Black	
13. TYPED NAME: Kathleen Stiffler			
14. TITLE: Acting Director, Medical Services Administration			
15. DATE SUBMITTED: August 20, 2015			
<b>FOR REGIONAL OFFICE USE ONLY</b>			
17. DATE RECEIVED: <b>August 20, 2015</b>		18. DATE APPROVED: <b>October 27, 2015</b>	
<b>PLAN APPROVED - ONE COPY ATTACHED</b>			
19. EFFECTIVE DATE OF APPROVED MATERIAL: <b>July 1, 2015</b>		20. SIGNATURE OF REGIONAL OFFICIAL:  <b>/s/</b>	
21. TYPE NAME: <b>Ruth A. Hughes</b>		22. TITLE: <b>Associate Regional Administrator</b>	
23. REMARKS:			

**STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT**

State of MICHIGAN

***Policy and Methods for Establishing Payment Rates  
(Other than Inpatient Hospital and Long Term Care Facilities)***

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2. Drug Product Reimbursement

- a) Reimbursement for drug products is the lower of an Average Wholesale Price (AWP) minus discounts, a Maximum Allowable Cost (MAC), a Wholesale Acquisition Cost (WAC) markup or the provider's charge. The discount from AWP for chain pharmacies and pharmacies serving nursing facility beneficiaries is 15.1% or a Wholesale Acquisition Cost markup of 1.88% and the discount from AWP for independent pharmacies, including chains of fewer than five stores, is 13.5% or WAC markup of 3.80%.
- b) The State has established dispensing fees. Effective December 1, 2009, program reimbursement for long-term care pharmacies is the lesser of the standard dispensing fee (\$3.00) or the long-term care pharmacy's usual and customary fee. Program reimbursement for all other pharmacies (non long-term care) is the lesser of the standard dispensing fee (\$2.75) or the pharmacy's usual and customary fee. A dispensing fee of \$6.00 will be reimbursed to a pharmacy if the final dosage form is a cream, emulsion, nasal drops, ointments, or optic drugs. A dispensing fee of \$10.00 will be reimbursed to a pharmacy for compounded capsules, powders or suppositories.
- c) MAC Limits set by the State in aggregate are equal to or less than Federal Upper Limits, in compliance with federal law.
- d) Prior authorization is required for exception to MAC Limits.
- e) The optional Mail Order Pharmacy program reimburses a zero dollar (\$0.00) amount for the dispensing fee. Brand name drugs are reimbursed AWP minus 21%; generic drugs are reimbursed at the MAC Limits; and, non-MAC generic drugs are reimbursed AWP minus 52%.
- f) Medicaid enrolled pharmacy providers may bill for the injectable drug Synagis dispensed on or after January 1, 2005.
- g) Medicaid enrolled pharmacy providers may bill for the following physician-administered injectable drugs on or after July 1, 2015:
  - i. Behavioral Health injectable drugs
  - ii. 17-Hydroxyprogesterone Caproate

The drug must be delivered from the pharmacy directly to the physician for administration. Reimbursement for administration of the injectable drug is not part of the pharmacy benefit.

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TN NO.: 15-0011

Approval Date: 10/27/15

Effective Date: 07/01/2015

Supersedes

TN No.: 10-15