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State/Territory Name: North Dakota

State Plan Amendment (SPA) #: ND-09-019

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) 179
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, MD 21244-1850



Center for Medicaid & State Operations

Disabled and Elderly Health Program Group

Maggie D. Anderson, Director
Division of Medical Services
North Dakota Department of Human Resources
600 East Boulevard Avenue, Dept. 325
Bismarck, ND. 58505-0250

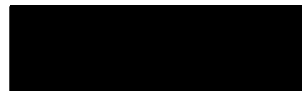
Dear Ms. Anderson:

We have reviewed North Dakota's State Plan Amendment (SPA) 09-019. The SPA decreases the Wholesale Acquisition Cost (WAC) from WAC + 12% to WAC + 8%. We are pleased to inform you that the amendment is approved effective January 1, 2010.

A copy of the CMS-170 form with pen and ink changes to block 6, as well as the pages approved for incorporation into the North Dakota State Plan, will be forwarded by the Denver Regional office.

If you have any questions regarding this amendment, please contact David Moscovic at (410) 786-4693.

Sincerely,



Larry Reed
Director
Division of Pharmacy

cc: Diane Dunstan-Murphy, Denver Regional Office

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: 09-019	2. STATE North Dakota
FOR: HEALTH CARE FINANCING ADMINISTRATION		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE January 1, 2010	
5. TYPE OF PLAN MATERIAL (Check One): <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 (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 447.331 & 447.332		7. FEDERAL BUDGET IMPACT: a. FFY <u>2010</u> \$ <u>-0-</u> b. FFY <u>2011</u> \$ <u>-0-</u>	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B, Page 2		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-B, Page 2	
10. SUBJECT OF AMENDMENT: Amends the State Plan to change the Estimated Acquisition Cost calculation as a result of the First DataBank lawsuit.			
11. GOVERNOR'S REVIEW (Check One): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL		<input checked="" type="checkbox"/> OTHER, AS SPECIFIED: <u>Maggie D. Anderson, Director,</u> <u>Medical Services Division</u>	
12. SIGNATURE: [Redacted]	16. RETURN TO: Maggie D. Anderson, Director Division of Medical Services ND Department of Human Services 600 East Boulevard Avenue Dept 325 Bismarck ND 58505-0250		
13. TYPED NAME: Maggie D. Anderson			
14. TITLE: Director, Division of Medical Services			
15. DATE SUBMITTED: November 4, 2009			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: 11/4/09	18. DATE APPROVED: 1/7/10		
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: JAN 01 2010	[Redacted] OFFICIAL:		
21. TYPED NAME: Richard C. Allen	22. TITLE: Associate Regional Administrator		
23. REMARKS:			

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - OTHER TYPES OF CARE

- 10) Transportation by common carrier will be reimbursed at the going rate or fare established for the general public. Ambulance services will be paid at the lower of actual billed charges or the maximum allowable charge established by the state. Private vehicles when utilized by a third party to provide transportation to a Medicaid recipient will be paid at the lower of billed charges or the mileage rate up to an upper limit periodically established by the state agency, not to exceed the mileage established by the state legislature. The payment for all meals necessary for recipients and attendants cannot exceed the amount allowed for state employees while they are traveling in the state of North Dakota. The payment for necessary lodging for recipients and attendants traveling within North Dakota cannot exceed the amount allowed for state employees. The payment for necessary lodging for recipients and attendants traveling outside of North Dakota will be limited by a maximum established by the single state agency.
- 11) Family planning services provided by local health departments under the auspices of the Maternal and Child Health (MCH) Division of the State Department of Health will be paid the lower of billed charge of maximum established by the MCH Division.
- 12) Home Health Agency services including nursing care, home health aide services, physical therapy, occupational therapy, speech pathology or audiology services, reimbursement will be at the lowest of the billed charge or maximum allowable charge established by the State.
- 13) For prescribed drugs, including non-legend drugs that are prescribed by a physician and legend drugs, Medicaid will reimburse at the lower of 1) the Estimated Acquisition Cost (EAC) for that drug plus a dispensing fee, 2) the Federal Upper Limit (FUL) for that drug plus a dispensing fee, 3) North Dakota Medicaid's established Maximum Allowable Cost (MAC) for that drug plus a dispensing fee, or 4) the provider's usual and customary charges to the general public. The dispensing fee for legend drugs is \$4.60 for brand name drugs and \$5.60 for generic drugs. The dispensing fee for non-legend drugs that are prescribed by a physician is calculated at 1.5 times the allowed amount (EAC, FUL, or MAC) up to a maximum of \$4.60.

The ingredient cost for multiple source drugs identified and listed by CMS as having Federal Upper Limit (FUL) will not exceed, in the aggregate, the level of payment for those drugs as calculated by the current FUL methodology used by CMS.

Estimated acquisition cost (EAC) will be this agency's best estimate of the price generally and currently paid by providers for a drug marketed or sold by a particular manufacturer or labeler. EAC is defined as the lesser of Average Wholesale Price (AWP) minus ten percent (10%) or Wholesale Acquisition Cost (WAC) plus 10% as determined by First Data Bank on a weekly basis.

A fee of fifteen cents per pill will be added to the dispensing fee for the service of pill splitting. Pill splitting is entirely voluntary for the patient and the pharmacist. Pill splitting will only be permitted under the following circumstances: when Medical Services determines it is cost effective, the pill is scored for ease of splitting, and the pharmacy staff splits the pill. This fee will only be allowed for medications that have been evaluated by the state for cost-effectiveness and entered into the Point-of-Sale system.

- 14) For hospice services Medicaid will pay the amounts established by HCFA at Sections 4306, 4307, and 4308 Part 4 of the State Medicaid Manual.
- 15) Nurse-Midwife services will be paid at the 85% level of the payment made for covered pre-natal, delivery and postpartum services provided by physicians, i.e., the lower of actual charge or 85% of the allowable amount established by the state agency for payment of physician services.

delivery and postpartum services provided by physicians, i.e., the lower of actual charge or 85% of the allowable amount established by the state agency for payment of physician services.