

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
JFK Federal Building, Government Center
Room 2275
Boston, Massachusetts 02203



CENTERS for MEDICARE & MEDICAID SERVICES

Division of Medicaid and Children's Health Operations / Boston Regional Office

April 8, 2011

Nicholas A. Toumpas
Commissioner
Department of Health and Human Services
129 Pleasant Street
Concord, NH 03301

Dear Commissioner Toumpas:

On March 18, 2011, our Central Office sent you a letter approving your proposed State Plan Amendment (SPA) No. 10-010 effective December 21, 2010. This letter transmits the Transmittal and Notice of Approval of State Plan Material (CMS-179) and the approved State Plan pages.

SPA 10-010 amends the State's approved Title XIX State Plan to change the Estimated Acquisition Cost (EAC) for prescribed drugs from the Average Wholesale Price (AWP) minus 16 percent to the lesser of the AWP minus 16 percent or the Wholesale Acquisition Cost (WAC) plus 0.8 percent.

Changes are reflected in the following section of your approved State Plan:

- Attachment 4.19-B, page 3

If you have any questions regarding this matter, you may contact Angel L. Miller at (617) 565-1324 or Angel.Miller@cms.hhs.gov.

Sincerely,

/s/

Richard R. McGreal
Associate Regional Administrator

Enclosures

cc:

Kathleen Dunn, Medicaid Director
Dawn Landry, NH, Division of Family Assistance
Diane Peterson, NH Business and Policy

DEPARTMENT OF HEALTH AND HUMAN SERVICES
HEALTH CARE FINANCING ADMINISTRATION

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

1. TRANSMITTAL NUMBER:
10-010

2. STATE
NH

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
December 21, 2010

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 440.120 and Section 1927 of the Act

7. FEDERAL BUDGET IMPACT:
0 - FFY 2011
0 - FFY 2012

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19B, page 3

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION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

Attachment 4.19B, page 3, TN 09-005

*There are no changes to the service pages.
*Issue with the inadvertent renumbering of items in 09-005 has been
corrected (see cover letter)

10. SUBJECT OF AMENDMENT:

Pharmacy Reimbursement - Wholesale Acquisition Cost

11. GOVERNOR'S REVIEW (Check One):

- GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED: comments, if any,
will follow
- COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY REPRESENTATIVE:

13. TYPED NAME: Nicholas J. Impas

14. TITLE: Commissioner

15. DATE SUBMITTED:
12/29/2010

16. RETURN TO:

Dawn Landry
Division of Family Assistance/Brown Building
Department of Health and Human Services
129 Pleasant Street
Concord, NH 03301

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: December 29, 2010

18. DATE APPROVED: March 18, 2011

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
December 21, 2010

20. SIGNATURE OF REGIONAL ADMINISTRATOR:

21. TYPED NAME: Richard R. McGreal

22. TITLE: Associate Regional Administrator

23. REMARKS:

**PAYMENT RATES FOR ALL TYPES OF CARE OTHER THAN INPATIENT
HOSPITAL, SKILLED NURSING, OR INTERMEDIATE NURSING CARE SERVICES**

12. **Prescribed Drugs** – For multiple source drugs which meet requirements set by the Secretary, payment will not exceed, in the aggregate, upper limits established by the Secretary. Payment for both legend (including compounds) and non-legend drugs is based on the lesser of (a) the Estimated Acquisition Cost plus the applicable dispensing fee, (b) a New Hampshire Maximum Allowable Cost (NH MAC) plus the applicable dispensing fee, (c) the Federal Upper Limit (FUL) plus the applicable dispensing fee, or (d) the usual and customary charge to the general public. Estimated Acquisition Cost equals average wholesale price minus 16% or wholesale acquisition cost plus 0.8%, whichever is less. The dispensing fee for all drugs is \$1.75. Prescriptions for solid oral maintenance medications shall be allowed a dispensing fee, only one time, per 30 days, per recipient, per provider, or per 90 days, per recipient, per provider, if the prescription is written and dispensed for 90 days. Any refill of such maintenance medication within 30 days, or within 90 days if as above, will be reimbursed at the cost of the medication only, unless the reason is a medically necessary reason for refilling the medication more than once per month, or per 3 months for 90 day prescriptions, and the reason is noted on the prescription order, or the refill time frame allows for usage of 75% of the supply of the prescription.
13. **Prosthetic Devices and Durable Medical Equipment** – Payments will be made in accordance with rates established by the Department. On certain medical services and supplies designated by the Secretary, payment will be made at the lowest charge level determined by the Title XVIII agency for Medicare covered services and for Medicaid covered services, the lowest charge level determined by the Title XIX State agency.
14. **Eyeglasses** – Eyeglasses are reimbursed in accordance with fee schedules established by the Department. On certain medical services and supplies designated by the Secretary, payment will be made at the lowest charge level determined by the Title XVIII agency for Medicare covered services and for Medicaid covered services, the lowest charge level determined by the Title XIX State agency.
15. **Other Diagnostic, Screening, Preventative, and Rehabilitation Services** – Payment is made in accordance with fee allowances determined by the Department. When such services are provided through clinics, payment is made at the negotiated fee based on the reasonable cost of providing such services by the Office of Community and Public Health. On certain medical services and supplies designated by the Secretary, payment will be made at the lowest charge level determined by the Title XVIII agency for Medicare covered services and for Medicaid covered services, the lowest charge level determined by the Title XIX State agency. For mental health and early interventions services, the Division of Behavioral Health and Division of Developmental Services has been designated to determine the fee allowances.

Payment for covered services provided by a supported residential health care facility (private non-medical institution) is reimbursed via a capitated rate established by the Department. Payment does not include room and board.

Payment for covered services provided by a residential child care facility (private non-medical institution) is reimbursed via a capitated rate established by the Department of Health and Human Services. Payment does not include room and board.

TN No: 10-010
Supersedes
TN No: 09-005

Approval Date 03-18-11

Effective Date: 12/21/10