

Department of Health & Human Services
Centers for Medicare & Medicaid Services
26 Federal Plaza, Room 37-100 North
New York, NY 10278



November 5, 2010

John R. Guhl, Director
Division of Medicaid Assistance and Health Services
Department of Human Services
P.O. Box 712
Trenton, New Jersey 08625

Dear Mr. Guhl:

We have received a copy of Larry Reed's letter to you, in which he notified you of the approval of New Jersey's State Plan Amendment (SPA) 09-05A. This SPA revises the estimated acquisition cost (EAC) formula from average wholesale price (AWP) minus fifteen percent to AWP minus sixteen percent. In addition, this amendment makes several editorial and structural changes.

Mr. Reed advised you that the New York Regional Office would forward you the signed CMS-179 form as well as copies of the approved pages. These documents are enclosed. The revised pages of Attachment 3.1-A, 3.1-B, and 4.19-B included in your letter of September 30, 2009 have replaced the corresponding pages that were previously submitted.

Please note the approval date of the SPA is November 4, 2010 and the effective date is January 1, 2009.

If you have any questions, please contact Ana J. Balbuena at (212) 616-2410

Sincerely,

/s/

Sue Kelly
Associate Regional Administrator
Division of Medicaid and Children's Health