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State/Territory Name: Nevada

State Plan Amendment (SPA) #: 14-004

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS-179
- 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

November 7, 2014

Mr. Romaine Gilliland
Director
Department of Health and Human Services
4126 Technology Way, Suite 100
Carson City, Nevada 89706

Dear Mr. Gilliland:

We have reviewed Nevada State Plan Amendment (SPA) 14-004, Prescribed Drugs, received in the Regional Office on August 15, 2014. Nevada proposes to renew the effective date of their supplemental rebate agreement.

If revisions are subsequently made to include MCO utilization for supplemental rebate collection or any other changes to the supplemental drug rebate agreement, attachments or schedules, all such documents should be submitted to CMS for review and approval. A separate SPA will be required if the state intends to exercise the option of including MCO utilization for supplemental rebates.

Based on the information provided, we are pleased to inform you that SPA 14-004 is approved with an effective date of July 1, 2014. A copy of the CMS-179 form, as well as the pages approved for incorporation into the Nevada state plan, will be forwarded by the San Francisco Regional Office. If you have any questions regarding this amendment, please contact Lisa Ferrandi at (410) 786-5445.

Sincerely,

/s/

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

cc: Hye Sun Lee, Acting ARA, San Francisco Regional Office
Brian Zolynas, San Francisco Regional Office
Tyler Sadwith, San Francisco Regional Office

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION	1. TRANSMITTAL NUMBER: <p style="text-align: center;">14-004</p>	2. STATE <p style="text-align: center;">NEVADA</p>
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
4. PROPOSED EFFECTIVE DATE <p style="text-align: center;">July 1, 2014</p>		

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: <p style="text-align: center;">Section 1927(b)(1) of the Social Security Act</p>	7. FEDERAL BUDGET IMPACT: a. FFY 2014 \$0 b. FFY 2015 \$0
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8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: <p style="text-align: center;"><u>Attachment 3.1-A, Pg. 5b</u></p> Review of Supplemental Rebate Agreement	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): <p style="text-align: center;"><u>Attachment 3.1-A, Pg. 5b</u></p> Review of Supplemental Rebate Agreement
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10. SUBJECT OF AMENDMENT:
This change renews the effective date for drug rebate contracts. Review of Supplemental Rebate Agreement

11. GOVERNOR'S REVIEW (Check One):

GOVERNOR'S OFFICE REPORTED NO COMMENT
 OTHER, AS SPECIFIED:
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 The Governor's Office does not
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL
 wish to review the State Plan Amendment.

12. SIGNATURE OF STATE AGENCY OFFICIAL: 	16. RETURN TO: Laurie Squartsoff Administrator DHCFP/Medicaid 1100 East William Street, Suite 101 Carson City, NV 89701
13. TYPED NAME: Romaine Gilliland	17. DATE RECEIVED: August 15, 2014
14. TITLE: Director, Department of Health and Human Services	
15. DATE SUBMITTED: <p style="text-align: center;">August 15, 2014</p>	18. DATE APPROVED: November 7, 2014

FOR REGIONAL OFFICE USE ONLY

19. EFFECTIVE DATE OF APPROVED MATERIAL: <p style="text-align: center;">July 1, 2014</p>	20. SIGNATURE OF REGIONAL OFFICIAL: <p style="text-align: center;">/s/</p>
21. TYPED NAME: <p style="text-align: center;">Hye Sun Lee, MPH</p>	22. TITLE: <p style="text-align: center;">Acting Associate Regional Administrator</p>

23. REMARKS:

Pen-and-ink changes to Boxes 8, 9, 10

3. The State will not pay for covered outpatients drugs of a non-participating manufacturer, except for drugs rated "1-A" by the FDA. If such a medication is essential to the health of a recipient and a physician has obtained approval for use of the drugs in advance of its dispensing, it may be covered by the program pursuant to section 1927(a)(3).
4. The Medicaid program restricts coverage of certain covered outpatient drugs through the operation of a prior authorization program. The prior authorization process provides for a turn-around 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 in accordance with the provisions of §1927 (d)(5) of the Social Security Act.
5. Pursuant to 42 U.S.C. Section 1396r-8 the state is establishing a preferred drug list with prior authorization for drugs not included on the preferred drug list. The state, or the state in consultation with a contractor, may negotiate supplemental rebate agreements that will reclassify any drug not designated as preferred in the baseline listing for as long as the agreement is in effect.
6. Pursuant to section 1927(d)(6) the State has established a maximum quantity of medication per prescription as a 34 day supply.
 - a) In those cases where less than a 30 day supply of maintenance drug is dispensed without reasonable medical justification, the professional fee may be disallowed.
 - b) In nursing facilities if the prescriber fails to indicate the duration of therapy for maintenance drug, the pharmacy must estimate and provide at least a 30 day supply.
7. The state will meet the requirements of Section 1927 of the Social Security Act. Based on the requirements for Section 1927 of the act, the state has the following policies for the supplemental rebate program for Medicaid recipients:
 - a) CMS has authorized the State of Nevada to enter into direct agreements with pharmaceutical manufacturers for a supplemental drug rebate program. The supplemental rebate agreement effective July 1, 2014 amends the original, January 1, 2012 version, which is effective through their expiration dates.
 - b) Supplemental rebates received by the State under these agreements by the State that are in excess of those required under the national drug rebate agreement will be shared with the federal government on the same percentage basis as applied under the national rebate agreement.
 - c) All drugs covered by the program, irrespective of a supplemental agreement will comply with provisions of the national drug rebate agreement.