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State/Territory Name: OH

State Plan Amendment (SPA) #: 09-018

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

Center for Medicaid, CHIP, and Survey & Certification (CMCS)

John McCarthy, Medicaid Director
Office of Ohio Health Plans
Ohio Department of Job and Family Services (ODJFS)
P.O. Box 182709
50 West Town Street, Suite 400
Columbus, Ohio 43218

SEP 23 2011

RE: Ohio State Plan Amendment (SPA) 09-018

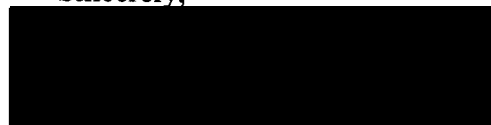
Dear Mr. McCarthy:

We have reviewed the proposed amendment to Attachments 3.1-A and 4.19-B of your Medicaid State plan submitted under transmittal number (TN) 09-018. Effective for services on or after August 1, 2009, this amendment proposes to no longer reimburse the State on a fee-for-service basis for over-the-counter drugs. Additionally, this amendment decreases the dispensing fee for pharmacy providers from \$3.70 to \$1.80.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903(a) of the Social Security Act and the regulations at 42 CFR 447 Subpart C. We hereby inform you that Medicaid State plan amendment 09-018 is approved effective August 1, 2009. We are enclosing the HCFA-179 and the amended plan pages.


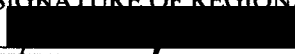
If you have any questions, please call Steven Johnson at (410) 786-3332.

Sincerely,



Cindy Mann,
Director (CMCS)

Enclosure

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: 09-018 Revised 3	2. STATE OHIO
FOR: CENTERS FOR MEDICARE AND MEDICAID SERVICES		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE: 1 August 2009	
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 447.53 (b); Section 1935(d)(1) of the Social Security Act; Sections 1927(d)(2) and 1935(d)(2) of the Social Security Act		7. FEDERAL BUDGET IMPACT: a. FFY 2009 (\$506) b. FFY 2010 (\$10,030)	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 3.1-A Item 12 page 2a of 12 Attachment 4.19-B Item 12-a pages 1,2,3 of 3 Attachment 4.19-B Item 12-b page 1 of 1 Attachment 4.19-B Item 12-c page 1 of 1 Attachment 4.19-B Item 12-d page 1 of 1		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-B Reference PrePrint Page 5 of Attachment 3.1-A Item 12 Page 1 through 6 (TN 05-016) Attachment 4.19-B Reference PrePrint Page 5 of Attachment 3.1-A Item 12 Page 2 of 2 (TN 08-008 & 05-016)	
10. SUBJECT OF AMENDMENT: Change in the State Plan to reflect provisions of Amended Substitute House Bill I (128th Ohio General Assembly) requiring nursing facilities (NFs) to provide selected over-the-counter drugs for their residents in return for an additional per diem amount and also changing the dispensing fee for prescribed drugs.			
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: Governor has delegated signature authority to ODJFS Director. Director has delegated signature authority to Medicaid Director	
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO: Becky Jackson OHP/Bureau of Policy and Benefit Management Ohio Department of Job and Family Services P.O. BOX 182709 Columbus, Ohio 43218	
13. TYPED NAME: MAUREEN M. CORCORAN			
14. TITLE: INTERIM STATE MEDICAID DIRECTOR			
15. DATE SUBMITTED: 9.29.09			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED:		18. DATE APPROVED: SEP 23 2011	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: AUG - 1 2009		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: Penny Thompson		22. TITLE: Deputy Director, CMCS	
23. REMARKS:			

STATE OF OHIO

ATTACHMENT 3.1-A
~~PRE-PRINT PAGE 5~~
ITEM 12
PAGE 2a OF 12

Selected over-the-counter drugs provided by nursing facilities for their recipient-residents are included in the nursing facility services. Nursing facilities receive a per diem amount that includes payment for selected over-the-counter drugs and are responsible for ensuring that their recipient-residents obtain those drugs. For dates of service on or after 8/1/09, selected over-the-counter drugs are paid for by the nursing facilities and are not eligible for reimbursement on a fee-for-service basis. Reimbursement methodology for nursing facilities is described in Attachment 4.19-D

TN# 09-018
SUPERSEDES
TN# NEW

APPROVAL DATE
EFFECTIVE DATE 8-1-09

SEP 23 2011

12. Prescribed drugs, dentures, and prosthetic devices; and eyeglasses prescribed by a physician skilled in diseases of the eye or by an optometrist.
- a. Prescribed drugs

Coverage of prescription drugs meets all reporting requirements and provisions of section 1927 of the Social Security Act.

Reimbursement for drugs will be made based on the various categories as specified below.

No supplemental allowance will be authorized for broken-lot charges, prescription delivery charges or state and local sales tax.

Billings must be submitted on the basis of the pharmacy's reasonable and customary charge, that is, a charge which does not exceed the average prescription price paid by the general public for similar services, including billing charges, family prescription profiles, delivery charges, and other pharmaceutical services.

Reimbursement for covered drugs is the lesser of the submitted charge or the calculated allowable minus any applicable co-payment. The calculated allowable consists of product cost and a dispensing fee.

Selected over-the-counter drugs provided by nursing facilities (NFs) for their recipient-residents is included in the nursing facility services. Nursing facilities receive a per diem amount that includes payment for selected over-the-counter drugs and are responsible for ensuring that their recipient-residents obtain those drugs. For dates of service on or after August 1, 2009, payment for selected over-the-counter drugs provided to residents of NFs is included in the facility per diem and is not eligible for reimbursement on a fee-for-service basis. Reimbursement methodology for nursing facilities is described in Attachment 4.19-D

Determination of allowable pharmaceutical product cost.

(1) Maximum Allowable Cost (MAC) pharmaceuticals

- (A) Maximum allowable costs have been determined by the federal Department of Health and Human Services for selected drugs. The Department shall not make reimbursement for these products, in the aggregate, at a rate higher than the federal upper limit (FUL) prices.

TN 09-018
Supersedes
TN 05-016

Approval Date SEP 23 2011
Effective Date 8/1/09

12. Prescribed drugs, dentures, and prosthetic devices; and eyeglasses prescribed by a physician skilled in diseases of the eye or by an optometrist.
 - a. Prescribed drugs (continued)
 - (B) The Department may establish a MAC for additional selected drugs where either bio-equivalency of the drugs has been established or bio-inequivalency of the drugs has not been established. Reimbursement for state MAC drugs shall be based on the sixty-fifth percentile of the estimated acquisition cost of all readily available generically equivalent drugs.
 - (2) Estimated Acquisition Cost (EAC) pharmaceuticals
 - (A) All products, other than those designated as MAC drugs, will be considered EAC drugs. Reimbursement will be based on the estimate of wholesale acquisition cost (WAC) determined by periodic review of pricing information from Ohio drug wholesalers, pharmaceutical manufacturers and a pharmacy pricing update service.

12. Prescribed drugs, dentures, and prosthetic devices; and eyeglasses prescribed by a physician skilled in diseases of the eye or by an optometrist.

a. Prescribed drugs (continued)

~~Maximum reimbursement for these drugs will be WAC plus eleven per cent for claims with a date of service through April 30, 2002 and WAC plus nine per cent with dates of service thereafter. Beginning with dates of service on or after October 1, 2005 the maximum reimbursement for these drugs will be WAC plus seven per cent.~~

~~(B) In the event that WAC cannot be determined, the Department will define "EAC" as average wholesale price (AWP) minus 11.2 per cent for claims with dates of service through April 30, 2002 and AWP minus 12.8 per cent for claims with dates of service thereafter. Beginning with dates of service on or after October 1, 2005 the "EAC" will be defined as AWP minus 14.4 per cent. In the event that WAC can not be determined, the Department will define "EAC" as average wholesale price (AWP) minus 14.4 per cent for claims with dates of service on or after October 1, 2005.~~

(3) Dispensing fee

The dispensing fee for non compounded drugs shall be three dollars and seventy cents for claims with a date of service through December 31, 2009. For claims with a date of service on or after January 1, 2010 the dispensing fee for non compounded claims shall be one dollar and eighty cents.

The State has a separate dispensing fee for compounded prescriptions. Claims submitted for infusion compounds will receive a dispensing fee of ten dollars per day, with a maximum dispensing fee of seventy dollars per claim. Total parenteral nutrition claims will receive a dispensing fee of fifteen dollars per day, with a maximum dispensing fee of one hundred fifty dollars per claim. Compounded drugs that are not infusion compounds or total parenteral nutrition claims will receive a single six dollar dispensing fee per prescription.

12. Prescribed drugs, dentures, and prosthetic devices; and eyeglasses prescribed by a physician skilled in diseases of the eye or by an optometrist.

b. Dentures

The payment is based on the lesser of the billed charge or the Medicaid maximum for a particular service performed according to the department's payment schedule.

Rates and fees can be found by accessing the agency's website at jfs.ohio.gov/OHP/provider.stm. The rates available at this website include all annual or periodic adjustments to the fee schedule. The agency's fee schedule was set as of July 1, 2008, and is effective for services provided on or after that date. Except as otherwise noted in the plan, state-developed fee schedules and rates are the same for both governmental and private providers.

12. Prescribed drugs, dentures, and prosthetic devices; and eyeglasses prescribed by a physician skilled in diseases of the eye or by an optometrist.

c. Prosthetic devices

The payment is based on the lesser of the billed charge or the Medicaid maximum for a particular service performed according to the department's medical supply formulary.

Rates and fees can be found by accessing the agency's website at jfs.ohio.gov/OHP/provider.stm. The rates available at this website include all annual or periodic adjustments to the fee schedule. The agency's fee schedule was set as of July 1, 2008, and is effective for services provided on or after that date. Except as otherwise noted in the plan, state-developed fee schedules and rates are the same for both governmental and private providers.

12. Prescribed drugs, dentures, and prosthetic devices; and eyeglasses prescribed by a physician skilled in diseases of the eye or by an optometrist.

d. Eyeglasses

The payment is based on the lesser of the billed charge or the Medicaid maximum for a particular service performed according to the department's payment schedule.

Rates and fees can be found by accessing the agency's website at jfs.ohio.gov/OHP/provider.stm. The rates available at this website include all annual or periodic adjustments to the fee schedule. The agency's fee schedule was set as of July 1, 2008, and is effective for services provided on or after that date. Except as otherwise noted in the plan, state-developed fee schedules and rates are the same for both governmental and private providers.