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State/Territory Name: Ohio

State Plan Amendment (SPA) #: 17-041

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

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-14-26
Baltimore, Maryland 21244-1850



Center for Medicaid and CHIP Services

Disabled and Elderly Health Programs Group

December 18, 2017

Ms. Barbara R. Sears
State Medicaid Director
Ohio Department of Medicaid
P.O. Box 182709
Columbus, OH 43218

Dear Ms. Sears:

We have received Ohio's State Plan Amendment (SPA) 17-041, Prescribed Drugs, received in the Chicago Regional Office on November 15, 2017. This amendment proposes to delay the implementation date of when the state will begin including utilization from participating MCOs for supplemental drug rebates.

Based on the information provided, we are pleased to inform you that, consistent with the regulations at 42 CFR 430.20, SPA 17-041 is approved with an effective date of July 1, 2018. A copy of the signed CMS-179 form, as well as the pages approved for incorporation into the Ohio state plan will be forwarded by the Chicago Regional Office.

If you have any questions regarding this amendment, please contact Yolonda Williams at (410) 786-6618 or yolonda.williams@cms.hhs.gov.

Sincerely,

/s/

Meagan T. Khau
Deputy Director
Division of Pharmacy

CC: Ruth A. Hughes, ARA, CMS, Chicago Regional Office
Carolyn Humphrey, Ohio Department of Medicaid
Tracey Archibald, Ohio Department of Medicaid

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

1. TRANSMITTAL NUMBER:
17-041

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
1/1/2018

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 U.A.C. Section 1396r-8

7. FEDERAL BUDGET IMPACT:

a. FFY 18 \$ 11,096 thousands
b. FFY 19 \$ (44,272) thousands

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 3.1-A, Item 12-a, Page 1

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION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

Attachment 3.1-A, Item 12-a, Page 1 (17-034)

10. SUBJECT OF AMENDMENT: Prescribed Drugs: Single PDL Delay to July 1, 2018

11. GOVERNOR'S REVIEW (Check One):

GOVERNOR'S OFFICE REPORTED NO COMMENT
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED:
The State Medicaid Director is the Governor's designee

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME: **BARBARA R. SEARS**

14. TITLE: **STATE MEDICAID DIRECTOR**

15. DATE SUBMITTED: **November 15, 2017**

16. RETURN TO:

**Carolyn Humphrey
Ohio Department of Medicaid
P.O. BOX 182709
Columbus, Ohio 43218**

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: **November 15, 2017**

18. DATE APPROVED: **December 18, 2017**

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: **1/1/2018**

20. SIGNATURE OF REGIONAL OFFICIAL: **/s/**

21. TYPED NAME: **Ruth A. Hughes**

22. TITLE: **Associate Regional Administrator**

23. REMARKS:

Instructions on Back

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 prescribed drugs meets all reporting requirements and provisions of section 1927 of the Social Security Act, including the following requirements as found in Section 1927(d)(5) of the Act:

The prior authorization program provides a response by telephone or other telecommunication device within 24 hours of a request.

The prior authorization program provides for the dispensing of at least a 72-hour supply of a covered drug in an emergency situation.

PREFERRED DRUG LIST

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. Prior authorization may be established for certain drug classes, particular drugs or medically accepted indication for uses or doses. Effective July 1, 2018, the Managed Care Plans contracted with the Ohio Department of Medicaid (ODM) will follow the single preferred drug list established by ODM.

SUPPLEMENTAL REBATES

Based on the requirements in Section 1927 of the Social Security Act, the state has the following policies for the supplemental rebate program for Medicaid recipients:

Supplemental rebates will be accepted from manufacturers according to the supplemental drug-rebate agreement. Supplemental rebates received pursuant to these agreements are only for the Medicaid program and will be collected from manufacturers based on drug utilization for both fee-for-service and managed care plan participants.

All drugs covered by the program, irrespective of the requirement to be prior authorized, will comply with the provisions of the national drug rebate agreement.

CMS has authorized Ohio to enter into "the Sovereign States Drug Consortium (SSDC)" Medicaid multi-state purchasing pool. The updated "Ohio Medicaid Supplemental Rebate Agreement" between the State and participating manufacturers for drugs provided to the Medicaid program, submitted to CMS on September 11, 2017 supersedes the "Ohio Supplemental Drug Rebate Agreement" approved in OH SPA TN 16-027. CMS has authorized the updated agreement. The updated agreement applies to drugs dispensed effective July 1, 2018.

The unit rebate amount is confidential and cannot be disclosed in accordance with Section 1927(b)(3)(d) of the Social Security Act.

Supplemental drug rebates received under this agreement 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 percentage basis required by law.

TN: 17-041

Supersedes

TN: 17-034

Approval Date: 12/18/2017

Effective Date: 01/01/2018