DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

FORM APPROVED
OMB No. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES

1. TRANSMITTAL NUMBER: 10-01

2. STATE: Oklahoma

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: January 1, 2010

5. TYPE OF PLAN MATERIAL *(Check One)*

☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONSIDERED AS A 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

7. FEDERAL BUDGET IMPACT
a. FFY 2010 ($1,562,750) savings
b. FFY 2011 ($2,100,160) savings

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Attachment 3.1-A, Page 5a-1

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*
Same Page, Revised 01-01-04, TN # 03-23

10. SUBJECT OF AMENDMENT
Decrease allowed number of brand prescriptions for adults.

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 Governor does not review State Plan material.

12. SIGNATURE OF STATE AGENCY OFFICIAL

13. TYPED NAME
Mike Fogarty

14. TITLE
Chief Executive Officer

15. DATE SUBMITTED
January 21, 2010

16. RETURN TO
Oklahoma Health Care Authority
Attn: Cindy Roberts
4545 N. Lincoln Blvd., Suite 124
Oklahoma City, OK 73105

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: 21 January, 2010

18. DATE APPROVED: 9 July, 2010

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: 1 January, 2010

20. SIGNATURE OF REGIONAL OFFICIAL

21. TYPED NAME
Bill Brooks

22. TITLE
Associate Regional Administrator
Division of Medicaid & Chidlrfen's Health

23. REMARKS
c: Mike Fogarty
Cindy Roberts
Tywanda Cox
Traylor Rains
Rodney Ikard

FORM CMS-179 (07/92)

AMOUNT, DURATION AND SCOPE OF MEDICAL AND REMEDIAL CARE AND SERVICES PROVIDED

CATEGORICALLY NEEDY

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

Prescription Drugs

Payment will be made from Title XIX funds to pharmacists with whom the Agency has a contract on behalf of categorically needy recipients up to a maximum of six (6) prescriptions (new or refill) with a limit of two (2) brand name per month per eligible recipient. A brand limit override is available for one additional brand prescription based on medical necessity and established criteria. The policy regarding the monthly two (2) brand name limitation and the one (1) brand limit override is effective January 1, 2010 through December 31, 2011. Prior to the expiration, the Agency will conduct a study and provide the results to CMS on the affects of the two (2) brand limit on access and utilization.

Exceptions: For persons served by a 1915(c) home and community based services waiver, payment will be made from Title XIX funds for up to a maximum of six (6) prescriptions (new or refill) with a limit of three (3) brand name per month per eligible recipient. Prescription drugs under EPSDT, birth control drugs, antineoplastics, antiretroviral agents for persons diagnosed with acquired immune deficiency syndrome (AIDS), certain prescriptions which require frequent laboratory monitoring, and hemophilia drugs are not limited to either the six (6) prescriptions per month or the two (2) brand name drugs per month limit.

Prescription quantities are limited to a 34 day supply unless (1) the medication is included in the Maintenance Drug List, in which case, 100 dosage units may be dispensed or (2) the drug has a recommended dispensing quantity less than either of those limits. Drug classes listed on the Maintenance Drug List include anticoagulation, asthma, diabetic, hormone, cardiovascular, thyroid, and seizure. A complete list of the selected drugs included on the Maintenance Drug List can be viewed on the agency's website at www.okhca.org. Some prescription drugs may require prior authorization as determined by the Drug Utilization Review Board (DUR). Only prescription drugs whose manufacturers have a rebate agreement with CMS are covered.

Tiered Drug List

The DUR Board will determine medical necessity for drugs covered under the Oklahoma tiered drug list and establish criteria for any prior authorization process. A preferred product, tiered drug list, is utilized for certain categories of drugs. Drugs included in Tier One are available without additional documentation. A prior authorization process is available for drugs not included in Tier One.

The prior authorization process provides for a turn-around response by either telephone or other telecommunications device within 24 hours of receipt of a completed prior authorization request. In emergency situations, providers may be reimbursed for a 72 hour supply of medication.

Supplemental Drug Rebate Pursuant to Section 1927 of the Act, the State has the following policies for Medicaid supplemental rebates:

A model agreement between the State and a drug manufacturer for drugs provided to the Medicaid population, submitted to CMS on January 2, 2004, and entitled "State of Oklahoma, Oklahoma Health Care Authority Supplemental Rebate Agreement" has been authorized by CMS.

Supplemental rebates received by the State in excess of those required under the national rebate agreement will be shared with CMS on the same percentage basis as applied under the national rebate agreement.

Drugs of manufacturers who do not participate in the supplemental rebate program will still be available to Medicaid recipients.

Products for which a signed Medicaid State Supplemental Rebate Agreement is on file will have preferred status. This status may be reflected in the product's placement in Tier One of the Tiered Drug List, inclusion on a Preferred Drug List, or by removing a prior authorization requirement from the product.