



DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services

Region 10  
2201 Sixth Avenue, MS/RX-43  
Seattle, Washington 98121

**JAN 12 2012**

Bruce Goldberg, MD, Director  
Department of Human Services  
Human Services Building  
500 Summer Street Northeast, E-15  
Salem, Oregon 97301-1097

RE: Oregon State Plan Amendment 11-009

Dear Dr. Goldberg:

The Centers for Medicare & Medicaid Services (CMS) Pharmacy Team approved Oregon State Plan Amendment (SPA) 11-009.

Although the Pharmacy Team will be sending the State a copy of the approval for this SPA, the Seattle Regional office is following up with an additional copy for the reason that we were in receipt of the original, signed amendment request.

Therefore, enclosed you will find a copy of the official CMS form 179, and amended page(s) for your records.

If you have any questions concerning the Seattle Regional office role in the processing of this state plan amendment, please contact Jan Mertel at (206) 615-2317 or [Jan.Mertel@cms.hhs.gov](mailto:Jan.Mertel@cms.hhs.gov).

Sincerely,

A large black rectangular redaction box covering the signature of Carol J.C. Peverly.

Carol J.C. Peverly  
Associate Regional Administrator  
Division of Medicaid and Children's Health  
Operations

Enclosure

cc: Judy Mohr Peterson



**Center for Medicaid and CHIP Services**

**Disabled and Elderly Health Programs Group**

January 12, 2012

Bruce Goldberg, MD, Director  
Oregon Health Authority  
Human Services Building  
500 Summer Street Northeast, E-15  
Salem, OR 97301-1097

Dear Dr. Goldberg:

We have reviewed Oregon State Plan Amendment (SPA) 11-009, Reimbursement for Drugs, received in the Regional Office on September 12, 2011. This amendment reduces the pharmacy dispensing fee claim volumes. This SPA reduces the dispensing fee volume changes to less than 30,000 claims a year will receive a \$14.01 dispensing fee, for claims between 30,000 and 49,999 claims per year will receive a \$10.14 and for claims that are 50,000 or more per year will receive a \$9.68 dispensing fee. The State is also proposing to reimburse independently owned pharmacies in communities that are the only enrolled pharmacy within a fifteen (15) mile radius from another pharmacy at a dispensing fee of \$14.01. The amendment is approved, effective August 1, 2011.

A copy of the CMS-179 form, as well as the pages approved for incorporation into the Oregon State Plan will be forwarded by the Seattle Regional Office. If you have any questions regarding this approval, please contact Wendy Tuttle at (410) 786-8690.

Sincerely,

/s/

Larry Reed  
Director  
Division of Pharmacy

cc: Barbara Richards, ARA Seattle Regional Office  
Maria Garza, Seattle Regional Office

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

1. TRANSMITTAL NUMBER:  
**11-09**

2. STATE  
Oregon

**FOR: HEALTH CARE FINANCING ADMINISTRATION**

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE  
SOCIAL SECURITY ACT (MEDICAID) Medical Assistance

TO: REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE  
August 1, 2011

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:  
1902(a)(30)(A), 1927 of the ACT, 42 CFR 447  
Subpart I

7. FEDERAL BUDGET IMPACT:  
a. 2011 \$ (134,079)  
b. 2012 \$ (805,243)-

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-B, Page 3-c

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

Attachment 4.19-B, Page 3-c

10. SUBJECT OF AMENDMENT: Budget limitations from development of 11-13 budget reflects specified provider reductions. This SPA reflects the Pharmacy dispensing fee claim volume changes.

11. GOVERNOR'S REVIEW (Check One):

GOVERNOR'S OFFICE REPORTED NO COMMENT       OTHER, AS SPECIFIED:  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME Judy Mohr Peterson      Bruce Goldberg, MD

14. TITLE: Director, DMAP      Director, OHA

15. DATE SUBMITTED: 7/14/11

16. RETURN TO:

Division of Medical Assistance Programs  
Oregon Health Authority  
500 Summer Street NE E-35  
Salem, OR 97301

ATTN: Jesse Anderson, State Plan Manager

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED: July 20, 2011

18. DATE APPROVED: JAN 12 2012

**PLAN APPROVED - ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL: AUG 01 2011

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME: Carol J.C. Peverly

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

23. REMARKS:

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: OREGON

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES

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12. Prescribed Drugs (continued)

- (2) Based upon the annual volume of the enrolled pharmacy, the dispensing fee will be as follows:
- Less than 30,000 claims a year = \$14.01
  - Between 30,000 and 49,999 claims per year = \$10.14
  - 50,000 or more claims per year = \$9.68
- (3) Pharmacies that fail to respond to the annual survey will default to the \$9.68 dispensing fee.
- (4) Pharmacies dispensing through a unit dose or 30-day card system must bill the Division only one dispensing fee per medication dispensed in a 30-day period.
- (5) Dispensing fee tiers are applicable to all pharmacies: retail independent, Institutional, mail order, compounding and 340 programs. Retail chain affiliated pharmacy dispensing fee is paid at the lowest tier regardless of volume.
- (6) Independently owned pharmacies in communities that are the only enrolled pharmacy within a fifteen (15) mile radius from another pharmacy shall be reimbursed at a dispensing fee of \$14.01.

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TN No. 11-09

Approval Date:

Effective Date: 8/1/11

Supersedes TN No. 10-13

**JAN 12 2012**