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State/Territory Name: Pennsylvania

State Plan Amendment (SPA) #: PA-11-017

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS Pharmacy Team Approval Letter
- 3) CMS Form 179/Summary Form (with 179-like data)
- 4) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
150 S. Independence Mall West
Suite 216, The Public Ledger Building
Philadelphia, Pennsylvania 19106-3499



Region III/Division of Medicaid and Children's Health Operations

SWIFT # 092620114012

MAR 14 2012

Mr. Gary D. Alexander
Secretary
Department of Public Welfare
P.O. Box 2675
Harrisburg, Pennsylvania 17105-2675

Dear Secretary Alexander:

We are pleased to inform you of the approval of Pennsylvania State Plan Amendment (SPA) 11-017, Changes in Payment Policy for Pharmacy Services. This SPA proposes to change the requirement for prior authorization of an early refill from 25 percent of the same earlier-dispensed medication to 15 percent.

Enclosed are the approved SPA page and the signed CMS-179 form. The effective date of this amendment is September 19, 2011.

If you have any questions, you may contact Harry Mirach at (215) 861-4284 or Kia Banton at (215) 861-4252.

Sincerely,

/s/

Francis J. Cullough
Associate Regional Administrator

Enclosures (2)

cc: Leesa Allen, Director, Bureau of Policy, Analysis and Planning, OMAP

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

MAR 05 2012

Mr. Gary D. Alexander
Secretary of Public Welfare
Commonwealth of Pennsylvania
Department of Public Welfare
Office of Medical Assistance Programs
Bureau of Policy, Analysis and Planning
P.O. Box 8046
Harrisburg, PA 17105

RECEIVED
MAR 19 2012
CMS - DMCHO

Dear Mr. Alexander:

We have reviewed Pennsylvania State Plan Amendment (SPA) 11-014, Changes in the payment policy for pharmacy services, received in the Regional Office on September 13, 2011. This amendment proposes to add Opiate Dependence Agents, which includes Buprenorphine Agents, and Antipsychotics, which includes Atypical Antipsychotics and Conventional Antipsychotics to the Preferred Drug List (PDL). However, the State will still require prior authorizations on these covered outpatient drugs.

We are pleased to inform you that the amendment is approved, effective August 8, 2011. A copy of the CMS-179 form, as well as the pages approved for incorporation into the Pennsylvania state plan, will be forwarded by the Philadelphia Regional Office. If you have any questions regarding this amendment, please contact Terry Simananda at (410) 786-8144.

Sincerely,

/s/

Larry Rega
Director
Division of Pharmacy

cc: Francis McCullough, Acting ARA, Pennsylvania Regional Office
Kia Banton, Pennsylvania Regional Office
Harry Mirach, Pennsylvania Regional Office

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

1. TRANSMITTAL NUMBER:
11-017

2. STATE
Pennsylvania

FOR: HEALTH CARE FINANCING ADMINISTRATION

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

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

4. PROPOSED EFFECTIVE DATE
September 19, 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:
Section 1927 of the Social Security Act

7. FEDERAL BUDGET IMPACT:

a. FFY 2011 0.00

b. FFY 2012 (\$511,625.00)

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Page 5eb of Attachment 3.1A

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

Page 5eb of Attachment 3.1A

10. SUBJECT OF AMENDMENT:

Changes in the payment policy for pharmacy services

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: Review and
approval authority has been delegated
to the Department of Public Welfare

12. SIGNATURE OF STATE AGENCY OFFICIAL:

/s/

13. TYPED NAME:

Gary D. Alexander

14. TITLE:

Secretary of Public Welfare

15. DATE SUBMITTED:

SEP 13 2011

16. RETURN TO:

Commonwealth of Pennsylvania
Department of Public Welfare
Office of Medical Assistance Programs
Bureau of Policy, Analysis and Planning
P.O. Box 8046
Harrisburg, Pa. 17105

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

September 20, 2011

18. DATE APPROVED:

MAR 13 2012

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

SEP 19 2011

20. SIGNATURE OF REGIONAL OFFICIAL:

/s/

21. TYPED NAME:

Francis McCullough

22. REMARKS:

Associate Regional Administrator

DESCRIPTION OF LIMITATIONS

SERVICE	LIMITATIONS
12. <u>Prescribed Drugs, Dentures, and Prosthetic Devices, and Eyeglasses</u>	
12.a. Prescribed Drugs (continued)	<u>Limitations on Payment</u>
	<ol style="list-style-type: none">3. Drugs not included on the Preferred Drug List, and designated as non-preferred.4. Botulinum Toxins5. <i>Reserved</i>6. Synagis7. Xolair8. Tysabri9. Early Refills – a request for a refill when more than 15 percent of an earlier-dispensed medication would remain when taken in compliance with the directions and quantity prescribed.10. <i>Reserved</i>11. Legend and non-legend cough and cold medications when prescribed for children under 6 (six) years of age.12. <i>Reserved</i>13. <i>Reserved</i>14. Benzodiazepines when prescribed for children under age 21.15. <i>Reserved</i>16. Nuedexta17. Makena
	(f) Drug Rebate Agreements
	<ol style="list-style-type: none">1. The Commonwealth is in compliance with section 1927 of the Social Security Act. The state will cover drugs of federal rebate participating manufacturers. The state is in compliance with reporting requirements for utilization and restrictions to coverage. Pharmaceutical manufacturers can audit utilization data. The unit rebate amount is confidential and cannot be disclosed for purposes other than rebate invoicing and verification.
	<ol style="list-style-type: none">2. The Commonwealth will be negotiating supplemental rebates in addition to the federal rebates provided for in Title XIX. Rebate agreements between the state and a pharmaceutical manufacturer will be separate from the federal rebates.
	<ol style="list-style-type: none">3. A rebate agreement between the state and a drug manufacturer for drugs provided to Medicaid recipients, submitted to CMS on October 1, 2005, and entitled "State of Pennsylvania Department of Public Welfare Supplemental Rebate Agreement" has been authorized by CMS.
	<ol style="list-style-type: none">4. The Commonwealth will continue state-specific supplemental rebates and will also participate in a multi-state pooling program that will negotiate supplemental rebates in addition to federal rebates provided for in Title XIX. This multi-state pooling program is known as The Optimal PDL Solution (TOP\$sm). TOP\$sm rebate agreements will be separate from the federal rebates. TOP\$sm supplemental rebates received by the Commonwealth in excess of those required under the federal drug rebate agreement will be shared with the federal government on the same percentage basis as applied under the federal rebate agreement.
	<ol style="list-style-type: none">5. CMS has authorized the state of Pennsylvania to enter into "The Optimal PDL Solution (TOP\$sm). The TOP\$sm supplemental rebate agreement was authorized by CMS on 3/13/2007 and is effective January 1, 2007 for the state of Pennsylvania.

Note: See the revised Drug Rebate approval letter from CMS (dated 3/2/10) and the full agreement text at the end of this section by clicking here.

TN# 11-017
Supersedes
TN# 11-014

Approval Date **MAR 13 2012** Effective Date September 19, 2011