

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 #030820134019

MAR 14 2013

Beverly Mackereth, Acting Secretary
Pennsylvania Department of Public Welfare
Room 333, Health & Welfare Building
P.O. Box 2675
Harrisburg, Pennsylvania 17105-2675

Dear Acting Secretary Mackereth:

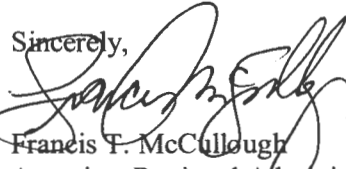
We are pleased to inform you of the approval of Pennsylvania State Plan Amendment (SPA) 12-023 which reflects changes in the payment policy for pharmacy services.

This amendment proposes to change the definition of usual and customary, decrease the dispensing fee from \$4 to \$2 for non-compounded drugs and from \$5 to \$3 for compounded drugs. This amendment also proposes to introduce a \$0.50 dispensing fee for prescriptions when Medicaid is the secondary payer. The effective date of this amendment is June 1, 2012.

This SPA was approved by the CMS Pharmacy Team on February 22, 2013. You should have received a letter from Larry Reed, Director of the Division of Pharmacy. Enclosed is a copy of the approved SPA pages and the signed CMS-179 form.

Please note that accompanying this approval of SPA 12-023 there is an enclosed companion letter addressing unrelated issues that arose in review of this SPA.

If you have any questions, you may contact Mary McKeon at (215) 861-4181.

Sincerely,

Francis T. McCullough
Associate Regional Administrator

Enclosures

Cc: Daniel Sorge, DPW, Bureau of Policy, Analysis and Planning
Terry Simananda, Division of Pharmacy, CMCS
Mark Ross, CMS