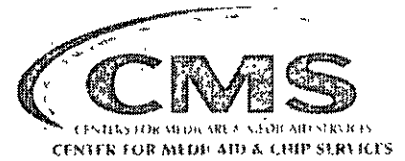


DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S2-14-26  
Baltimore, Maryland 21244-1850



**Center for Medicaid and CHIP Services**  
Disabled and Elderly Health Programs Group

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November 08, 2012

Kim Malsam-Rysdon  
Department of Social Services  
Division of Medical Services  
700 Governors Drive  
Pierre, SD 57501-2291

Dear Ms. Malsam-Rysdon:

We have reviewed South Dakota's State Plan Amendment (SPA) 12-006, Prescribed Drugs, received in the Denver Regional Office on April 30, 2012. This SPA discontinues the use of Average Wholesale Price (AWP) and replaces it with Consolidated Price. We are pleased to inform you that the amendment is approved, effective July 1, 2012.

A copy of the HCFA-179 form, as well as the pages approved for incorporation into the Nebraska state plan, will be forwarded by the Denver Regional Office.

If you have any questions regarding this amendment, please contact Delaine Deardorff-Beck at (410) 786-2991.

Sincerely,

/s/

Larry Reed  
Director  
Division of Pharmacy

cc: Diane Dunston-Murphy Denver Regional Office  
Brenda Tidball-Zeltinger, Chief Financial Officer  
Richard Allen, ARA, Denver Regional Office