



June 20, 2011

Darin Gordon, Director
Bureau of TennCare
Department of Finance and Administration
310 Great Circle Road
Nashville, TN 37243

Re: Tennessee Title XIX State Plan Amendment, Transmittal #11-002

Dear Mr. Gordon:

This is to affirm approval of the above referenced State Plan Amendment which was submitted to the Regional Office on March 28, 2011. The State's requested effective date of January 1, 2011 has been accepted.

Enclosed for your records are:

1. a copy of the approval letter dated June 15, 2011 that was submitted to the State by Larry Reed, Director, Division of Pharmacy;
2. the original signed 179; and
3. the approved plan pages.

If you have any additional questions regarding this amendment, please contact Kenni Howard, State Coordinator for Tennessee, at 404-562-7413.

Sincerely,

//s//

David Kimble
Acting Associate Regional Administrator
Division of Medicaid & Children's Health Operations

Enclosure(s)

Department of Health & Human Services
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850



Center for Medicaid, CHIP and Survey & Certification
Disabled and Elderly Health Programs Group

June 15, 2011

Darin J. Gordon
Director
Bureau of TennCare
310 Great Circle Road
Nashville, Tennessee 37243

Dear Mr. Gordon:

We have reviewed Tennessee State Plan Amendment (SPA) 11-002 received in the Atlanta Regional Office on March 28, 2011. We are pleased to inform you that Tennessee SPA 11-002 is approved, effective January 1, 2011. Under this SPA, the State specifies its current coverage for active pharmaceutical ingredients (APIs) and excipients under the Prescribed Drug section of the Medicaid State plan.

The Atlanta Regional Office will forward to you a copy of the CMS-179 form, as well as the pages approved for incorporation into the Tennessee Medicaid State Plan. If you have any questions regarding this amendment, please contact Bernadette Leeds at (410) 786-9463.

Sincerely,

/s/

Larry Reed
Director
Division of Pharmacy

cc: Jackie Glaze, ARA, Atlanta Regional Office
Kenni Howard, Atlanta Regional Office
Susie Baird, Bureau of TennCare

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

1. TRANSMITTAL NUMBER:
11-002

2. STATE
TENNESSEE

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
January 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:
42 CFR 441 and 447.

7. FEDERAL BUDGET IMPACT:
a. FFY 2011 \$ 0
b. FFY 2012 \$ 0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 3.1.A.1, Item 6.d.3.; Attachment 3.1.B.1, Item 6.d.3.; Attachment 4.19B, Item 6.d.3.

Attachment 3.1.A.1, Item 6.d.3.; Attachment 3.1.B.1, Item 6.d.3.; Attachment 4.19B, Item 6.d.3.

10. SUBJECT OF AMENDMENT:
"Other Practitioners' Services - Pharmacist" in "Limitation on Amount, Duration and Scope of Medical Care and Services Provided" and "Methods and Standards for Establishing Payments Rates - Other Types of Care"

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:


16. RETURN TO:
Tennessee Department of Finance and Administration
Bureau of TennCare
310 Great Circle Road
Nashville, Tennessee 37243

Attention: George Woods

13. TYPED NAME: Darin J. Gordon

14. TITLE: Director, Bureau of TennCare

15. DATE SUBMITTED: 3/28/11


FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: 03/28/11

18. DATE APPROVED: 06/15/11

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: 01/01/11

20. SIGNATURE OF REGIONAL OFFICIAL:


21. TYPED NAME: Jackie Glaze

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

23. REMARKS:

Approved with following change as authorized by State Agency on email and letter dated 6/02/11
Block # 8 changed to read: Attachment 3.1.A.1, Item 12.a. (15) new (f); Attachment 3.1.B.1, Item 12.a. (15) new (f);
Block # 9 changed to read: Attachment 3.1.A.1, Item 12.a. (15) (e); Attachment 3.1.B.1, Item 12.a. (15) (e)
Block # 10 changed to read: To Specify Active Pharmaceutical Ingredients (APIs) under 12.a Prescribed.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

STATE: TENNESSEE

LIMITATION ON AMOUNT DURATION AND SCOPE OF MEDICAL
CARE AND SERVICES PROVIDED

dispense an emergency supply, it shall be the responsibility of TennCare to provide coverage for either the emergency supply or the usual dispensing amount, whichever is greater.

- (14) Pharmacies should bill prescriptions for TennCare members with other third party insurance to the appropriate third party payer (primary insurer) and bill any applicable copays for covered drugs to TennCare.
- (15) Covered drugs under the TennCare Pharmacy Program shall be limited to:
- (a) Those legend drugs covered under the Medicaid Drug Rebate Program as described in Section 1927 (k) of the Social Security Act and outlined in the TennCare Pharmacy Program Preferred drug list; and
 - (b) Non-legend drugs which are listed on the covered OTC drug list; and
 - (c) Legend and non-legend drugs which are covered and prescribed by an authorized prescriber; and
 - (d) Those drugs which are not included in the list of excluded therapeutic categories or classes contained in Section 1927(d) of the Social Security Act (listed above in (12)(b); and
 - (e) Those drugs not considered to be DESI, less-than-effective (LTE) or identical, related or similar (IRS) to DESI drugs; and
 - (f) Select active pharmaceutical ingredients (APIs) and excipients used in extemporaneously compounded prescriptions when dispensed by a pharmacist, who is employed by a pharmacy participating in the PBM National Network or the TennCare Network pursuant to a prescription issued by a licensed prescriber following all State and Federal laws. This includes only APIs and excipients that are determined by the State to be cost effective to TennCare (compared to other covered alternatives). APIs that have been identified as being cost effective by TennCare are identified at <http://www.tn.gov/tenncare/pro-pharmacy.html>.

TN No. 11-002
Supersedes
TN No. 2003-2

Approval Date: 06-15-11

Effective Date 01/01/11

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

STATE: TENNESSEE

LIMITATION ON AMOUNT DURATION AND SCOPE OF MEDICAL
CARE AND SERVICES PROVIDED

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TN No. 11-002
Supersedes
TN No. 2003-2

Approval Date: 06/15/11

Effective Date 01/01/11

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