



Center for Medicaid and CHIP Services

Disabled and Elderly Health Programs Group 2 50

AUG 02 2012

Michael Hales
Deputy Director, Utah Department of Health
Director, Division of Medicaid and Health Financing
P.O. Box 143102
Salt Lake City, UT 84116-3102

Dear Mr. Hales:

We have reviewed the Utah State Plan Amendment (SPA) 11-014, received in the Denver Regional Office on September 30, 2011. The State of Utah proposes to change its payment rate from average wholesale price (AWP) to Utah Wholesale Price (UWP) for the period of July 1, 2011 through February 20, 2012, when (AWP) was not available from the national pharmaceutical pricing data service. The UWP is determined by multiplying the wholesale acquisition cost (WAC) times 1.2 to equal AWP and then discounted 17.4 percent. Effective February 21, 2012, a new pricing data service will be supplying AWP and the reimbursement formula will return to AWP minus 17.4 percent. Utah also proposes to remove over-the-counter, nondrug items from its list of optional coverage drugs. Based on the information provided, we are pleased to inform you that SPA 11-014 is approved with an effective date of November 1, 2011.

A copy of the CMS-179 form as well as the pages approved for incorporation into the State Plan will be forwarded by the Denver Regional office. If you have any questions regarding this amendment, please contact Madlyn Kruh at (410) 786-3239.

Sincerely,

A handwritten signature in black ink, which appears to read "Larry Reed". The signature is written in a cursive, flowing style.

Larry Reed
Director
Division of Pharmacy

cc: Richard C. Allen, ARA, Denver Regional Office
Diane Dunstan-Murphy, Regional Office
Craig Devashrayee, Utah Manager Technical Writing Unit, Utah Department of Health