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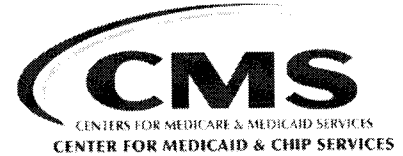
**State/Territory Name:** Utah

**State Plan Amendment (SPA) #:** UT-14-009

This file contains the following documents in the order listed:

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

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



**Disabled & Elderly Health Programs Group**

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W. David Patton, Ph.D.  
Executive Director  
Utah Department of Health  
P.O. Box 143102  
Salt Lake City, UT 84114-3102  
May 29, 2014

Dear Dr. Patton:

We have reviewed the Utah State Plan Amendment (SPA) 14-009 received in the Denver Regional Office on January 15, 2014. The State of Utah proposes to require that drugs purchased by covered entities under the Public Health Services Act of Section 340B be billed at no more than the 340B ceiling price. This amendment also proposes to create a separate dispensing fee for 340B drugs that are reimbursed at or below the 340B ceiling price. Based on the information provided, we are pleased to inform you that SPA 14-009 is approved with an effective date of January 1, 2014.

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,

/ s /

Joseph L. Fine  
Acting Director  
Division of Pharmacy

cc: Richard C. Allen, ARA, Denver Regional Office  
Sonia Hinojosa, Denver Regional Office  
Craig Devashrayee, Utah Department of Health

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL  
FOR: HEALTH CARE FINANCING ADMINISTRATION**

1. TRANSMITTAL NUMBER:  
14-009-UT

2. STATE:  
Utah

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

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

4. PROPOSED EFFECTIVE DATE  
January 1, 2014

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 440.120

7. FEDERAL BUDGET IMPACT:

a. FFY 2014 \$0  
b. FFY 2015 \$0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Page 19a of ATTACHMENT 4.19-B

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

Page 19a of ATTACHMENT 4.19-B

10. SUBJECT OF AMENDMENT: 340B Dispensing Fee

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:

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME: W. David Patton, Ph.D.

14. TITLE: Executive Director, Utah Department of Health

15. DATE SUBMITTED: January 15, 2014

16. RETURN TO:

Craig Devashrayee, Manager  
Technical Writing Unit  
Utah Department of Health  
PO Box 143102  
Salt Lake City, UT 84114-3102

16

17. DATE RECEIVED

01/15/14

18. DATE APPROVED

05/29/14

FOR REGIONAL USE ONLY

19. EFFECTIVE DATE OF APPROVED MATERIAL

01/01/14

20. SIGNATURE OF REGIONAL OFFICIAL

/s/

21. TYPED NAME

Richard C. Allen

22. TITLE

ARA, DMCHO

PLAN APPROVED - ONE COPY ATTACHED

23. REMARKS

S. PRESCRIBED DRUGS (Continued)

Utah EAC

Effective July 1, 2010, the EAC is AWP minus 17.4 percent.

For the period of July 1, 2011, through February 20, 2012, the EAC is UWP minus 17.4 percent.

Dispensing Fee

In setting the basic dispensing fee, the state will give consideration to costs shown on periodic operation surveys, in-house studies of dispensing costs, national and regional data, and economic trends and conditions. The Utah base dispensing fee is \$3.90 and the 340B dispensing fee is \$12.39.

Special Category Fees

1. Payment for insulin, birth control pills, and non-legend (OTC) drugs will be the lowest of:
  - a. Billed charge;
  - b. EAC + special category fee C;
  - c. Utah MAC + special category fee C; or
  - d. AWP or UWP + special category fee not to exceed the maximum on the Federal upper limits list.
  - e. Special Category fee C = \$1.00.
  
2. Payment for non-legend OTC antacid liquids will be the lowest of:
  - a. Billed charge;
  - b. EAC + special category fee F;
  - c. Utah MAC + special category fee F; or
  - d. AWP or UWP + special category fee not to exceed the maximum on the Federal upper limit list.

Category fee F is calculated as follows: drug quantity + package size x \$0.50.
  
3. Payment for 340B priced products - 340B ingredient cost submitted + 340B dispensing fee (\$12.39)
  
4. Differential fee payment for select drugs reconstituted for Home I.V. infusion as typically prepared by a specialty pharmacy. Specialty pharmacies have low volume but high overhead expenses. The Department of Justice (DOJ) in year 2000 re-priced the AWP for 437 NDC specific products. The re-priced products necessitated four new dispensing fees. The four fees are defined as category J, category K, category L, and category M.

T.N. # 14-009

Approval Date 5/29/14

Supersedes T.N. # 11-014

Effective Date 1-1-14