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State Name: Virginia

State Plan Amendment (SPA) #: 10-07

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS-179
- 3) Approved SPA Pages

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

MAY 25 2011

Gregg A. Pane, M.D., MPA
Director, Department of Medical Assistance Services
600 East Broad Street, #1300
Richmond VA 23219

Dear Dr. Pane:

We have reviewed the Virginia State Plan Amendment (SPA) #10-07, which decreases the estimated acquisition cost (EAC) from average wholesale price (AWP) minus 10.25 percent to AWP minus 13.1 percent for dates of service July 1, 2010 through September 30, 2010. The Pharmacy Team at the Centers for Medicare & Medicaid Services approved this SPA on May 19, 2011. The effective date of the SPA is July 1, 2010. Additionally, a Companion Letter was issued on that date for the Commonwealth to submit a State Plan Amendment with an adjusted EAC reflecting that agency's best estimate of the price generally paid by providers when buying covered outpatient drugs.

Enclosed are the approved State Plan page and the signed Form CMS-179.

If you have any questions regarding this amendment, please contact William G. Cahill at (215) 861-4173, or via e-mail at william.cahill@cms.hhs.gov.

Sincerely,

Ted Gallagher
Associate Regional Administrator



TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES		1. TRANSMITTAL NUMBER 1 0 - 0 7	2. STATE Virginia
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
5. TYPE OF PLAN MATERIAL (Check One) <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT		4. PROPOSED EFFECTIVE DATE July 1, 2010	
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION 42 CFR Part 447	7. FEDERAL BUDGET IMPACT a. FFY 2010 \$ [737,000.00] b. FFY 2011 \$ 0.00		
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attach. 4.19-B, Page 7.5	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Same page		
10. SUBJECT OF AMENDMENT 2010 Pharmacy Reimbursement Change			
11. GOVERNOR'S REVIEW (Check One) <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT ²⁰¹⁰ <input checked="" type="checkbox"/> OTHER, AS SPECIFIED <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS SUBMITTAL Secretary of Health and Human Resources			
12. SIGNATURE OF STATE AGENCY OFFICIAL	16. RETURN TO		
13. TYPED NAME Gregg A. Pane, M.D., M.P.A.	Dept. of Medical Assistance Services 600 East Broad Street, #1300 Richmond VA 23219 Attn: Regulatory Coordinator		
14. TITLE Director			
15. DATE SUBMITTED 9/28/10			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED	18. DATE APPROVED 5/19/11		
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL 7/1/10	20. SIGNATURE OF REGIONAL OFFICIAL		
21. TYPED NAME TED GALLAGHER	22. TITLE ARA, DINOCHO, CATECHO		
23. REMARKS			

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of VIRGINIA

**METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATE-
OTHER TYPES OF CARE**

8. An EAC of AWP minus 13.1% shall become effective July 1, 2010 through September 30, 2010. An EAC of AWP minus 10.25% shall become effective October 1, 2010.

The dispensing fee for brand name and generic drugs of \$3.75 shall remain in effect, creating payment methodology based on the previous algorithm (least of the subdivisions of this section) plus a dispensing fee where applicable.

TN No.	<u>10-07</u>	Approval Date	<u>5/19/11</u>	Effective Date	<u>07-01-10</u>
Supersedes					
TN No.	<u>10-01</u>				