

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
JFK Federal Building, Government Center
Room 2275
Boston, Massachusetts 02203



Division of Medicaid and Children's Health Operations / Boston Regional Office

April 26, 2010

Robert D. Hofmann, Secretary
Agency of Human Services
103 South Main Street
Waterbury, Vermont 05671-0204

Dear Mr. Hofmann:

On April 21, 2010, our Central Office sent you a letter approving your proposed State plan amendment (SPA) No. 09-013 with an effective date of July 1, 2009 as requested. This letter transmits the Transmittal and Notice of Approval of State Plan Material (CMS-179) and the approved State plan pages.

SPA 09-013 transmitted a proposed amendment to your Agency's approved Title XIX State plan to revise the estimated acquisition cost for Medicaid prescription outpatient drugs from the current average wholesale price (AWP) minus 11.5 percent to AWP minus 14.2 percent. This SPA also reduces the dispensing fee for out-of-state pharmacies from \$3.65 to \$2.50. This amendment provides safeguards to assure that Medicaid beneficiaries will continue to have access to appropriate drugs.

Please note that we approved this SPA as revised. As you agreed to in your response dated February 22, 2010, we added the statutory and regulatory citations in box 6 of the CMS-179. In box 23, we indicated that the Federal budget impact for each Federal fiscal year (FFY) reported in box 7 is a net saving. We also indicated that the net saving for FFY 2010 should be a net saving of \$72,060. Finally, we added Attachment 4.19, page 4a and Attachment 3.1-A, page 4e in box 8 and Attachment 3.1-A, page 4e in box 9.

If there are questions, please contact Chong Tieng. He can be reached at (617) 565-9157.

Sincerely,

/s/

Richard R. McGreal
Associate Regional Administrator

Enclosure
cc: Susan Besio