



Center for Medicaid and CHIP Services

September 12, 2013

MEDICAID DRUG REBATE PROGRAM NOTICE

Release No. 88

**For
Participating Drug Manufacturers**

**COVERAGE OF BARBITURATES, BENZODIAZEPINES, AND ALL DRUGS USED
FOR SMOKING CESSATION EFFECTIVE JANUARY 1, 2014**

We are sharing guidance that we provided to states regarding the coverage of barbiturates and benzodiazepines and changes states will need to make to their state plans effective January 1, 2014.

Changes Effective January 1, 2014

Effective January 1, 2014, section 2502 of the Affordable Care Act amends section 1927(d)(2) of the Social Security Act (the Act) by removing barbiturates, benzodiazepines, and agents used to promote smoking cessation from the list of drugs a state Medicaid program may exclude from coverage or otherwise restrict. It also added section 1927(d)(7) of the Act which explicitly prohibits states from excluding the following drugs, or their medical uses, from coverage: barbiturates, benzodiazepines, and agents when used to promote smoking cessation, including agents approved by the Food and Drug Administration under the over-the-counter (OTC) monograph process for purposes of promoting, and when used to promote, tobacco cessation.

Medicaid Beneficiaries (Other than Dual Eligible Beneficiaries)

For Medicaid beneficiaries (other than dual eligible beneficiaries), beginning January 1, 2014, benzodiazepines and barbiturates are no longer excluded from Medicaid coverage or otherwise restricted under 1927(d)(2) of the Act. Additionally, drugs used to promote smoking cessation including OTC drugs, are no longer excluded from coverage or otherwise restricted under the Medicaid program.

Dual Eligible Beneficiaries

For Medicaid beneficiaries that also have Medicare (dual eligible beneficiaries), beginning January 1, 2014, benzodiazepines and barbiturates qualify as Part D drugs for all medically

accepted indications, and are no longer covered under Medicaid. Prescription smoking cessation drugs are already covered by Part D, but because Part D does not generally cover these non-prescription drugs, states are responsible for coverage of such non-prescription products for dual eligible beneficiaries.

State Plan Amendments

In light of the statute, states will need to remove from the state plan any indication that the following drugs are restricted or otherwise excluded: barbiturates, benzodiazepines and agents used to promote smoking cessation. To the extent that the state needs to change its state plan to be consistent with these Medicaid coverage requirements, the state will need to submit a state plan amendment (SPA) to be effective January 1, 2014.

In addition, CMS has addressed tobacco cessation coverage options for the coverage of counseling services and pharmacotherapy services in a State Directors Letter (#11-007) issued on June 24, 2011. We encourage states to refer to this letter for additional discussion on the Public Health Service Guideline which recommends a combination of counseling and medication as a more effective treatment for tobacco cessation than either medication or counseling alone.

In order to ensure timely processing of SPAs, we encourage states to submit the SPA as early as possible. In addition, the state will need to make the necessary changes to their claims processing programs to allow the appropriate coverage of these drugs.

Please contact Joe Fine at 410-786-2128 if you have any questions.

/s/

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