

## **Table of Contents**

**State/Territory Name: Minnesota**

**State Plan Amendment (SPA)#: MN-23-0013**

This file contains the following documents in the order listed

- 1) Approval Letter
- 2) CMS 179 Form
- 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



**Center for Medicaid and CHIP Services**  
**Medical Benefits and Elderly Health Programs Group**

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July 14, 2023

Julie Marquardt  
Assistant Commissioner and Minnesota Medicaid Director  
Minnesota Department of Human Services  
540 Cedar Street  
St. Paul, Minnesota 55164-0983

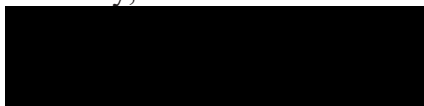
Dear Julie Marquardt,

The CMS Division of Pharmacy team has reviewed Minnesota's State Plan Amendment (SPA) 23-0013 received in the CMS Medicaid & CHIP Operations Group on April 26, 2023. This SPA proposes to increase the professional dispensing fee from \$10.48 per prescription to \$10.77 per prescription.

Based on the information provided and consistent with the regulations at 42 CFR 430.20, we are pleased to inform you that MN-23-0013 is approved with an effective date of May 1, 2023. We are attaching a copy of the signed CMS-179 form, as well as the pages approved for incorporation into Minnesota's state plan.

If you have any questions regarding this request, please contact Lisa Shochet at 410-786-5445 or [lisa.shochet@cms.hhs.gov](mailto:lisa.shochet@cms.hhs.gov).

Sincerely,



Mickey Morgan  
Acting Deputy Director  
Division of Pharmacy

cc: Alexandra Zoellner, Minnesota, Department of Human Services  
Patrick Hultman, Minnesota, Department of Human Services  
Melorine Mokri, Minnesota, Department of Human Services  
Sandra Porter, CMS, Medicaid and CHIP Operations Group

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL  
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER

2 3 — 0 0 1 3

2. STATE

MN

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT

XIX  XXI

TO: CENTER DIRECTOR  
CENTERS FOR MEDICAID & CHIP SERVICES  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

May 1, 2023

5. FEDERAL STATUTE/REGULATION CITATION

42 CFR § 440

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2023 \$ 410,000  
b. FFY 2024 \$ 410,000

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-B page 37a, page 37d

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

same

9. SUBJECT OF AMENDMENT

This amendment increases the pharmacist dispensing fee from \$10.48 to \$10.77 per prescription.

10. 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:

11. SIGNATURE OF STATE

[Redacted Signature]

12. TYPED NAME

Patrick Hultman

13. TITLE

Deputy Medicaid Director

14. DATE SUBMITTED

April 26, 2023

15. RETURN TO

Alley Zoellner  
Minnesota Department of Human Services  
Federal Relations Unit  
540 Cedar Street, PO Box 64983  
Saint Paul, MN 55164

**FOR CMS USE ONLY**

16. DATE RECEIVED

April 26, 2023

17. DATE APPROVED

July 14, 2023

**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL

May 1, 2023

19. SIGNATURE OF APPROVING OFFICIAL

[Redacted Signature]

20. TYPED NAME OF APPROVING OFFICIAL

Mickey Morgan

21. TITLE OF APPROVING OFFICIAL

Acting Deputy Director

22. REMARKS

STATE: MINNESOTA  
Effective: May 1, 2023  
TN: 23-13

ATTACHMENT 4.19-B  
Page 37a

Approved: July 14, 2023

Supersedes: 19-06, (11-16, 10-01, 08-13, 07-12, 07-04, 05-09/04-15(a)/03-29)

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The Department will calculate the actual acquisition cost of multiple ~~course~~ source drugs in conformity with the upper payment limits established under 42 C.F.R. § 447.512.

The State agency establishes the acquisition cost of drugs acquired through the federal 340B drug pricing program at the 340B ceiling price

For drugs administered in an outpatient setting, payment for prescription drugs is the lower of the provider's usual and customary charge to the general public, 106% of the average sales price, or the maximum allowable cost set by the State Agency. If the average sales price is not available, payment will be the lower of the provider's usual and customary charge to the general public, the wholesale acquisition cost, or the maximum allowable cost set by the State Agency. For drugs acquired through the federal 340B drug pricing program, payment is equal to 71.4% of the payment amount calculated using the methodology described in this paragraph.

The rate for specialty pharmacy products is the maximum allowable cost set by the State Agency plus a professional dispensing fee of ~~\$10.48~~ \$10.77 per prescription. The rate used is dependent upon the actual acquisition cost for the product. Specialty pharmacy products are those used by a small number of recipients or recipients with complex and chronic diseases that require expensive and challenging drug regimens.

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12a. Prescribed Drugs (continued):

With the following exceptions, the professional dispensing fee is ~~\$10.48~~ \$10.77 per prescription, for prescriptions filled using drugs that meet the definition of "covered outpatient drugs" according to 42 U.S.C. § 1396r-8(k)(2).

1) The professional dispensing fee for intravenous drugs that require mixing by the pharmacist is ~~\$10.48~~ \$10.77 per bag.

2) The professional dispensing fee for over-the-counter drugs is ~~\$10.48~~ \$10.77 for "outpatient prescription drugs" when dispensed in quantities equal to or greater than the manufacturer's package size. The dispensing fee is prorated based on the percent of the package dispensed when the pharmacy dispenses a quantity less than the manufacturer's package size.

3) The professional dispensing fee for prescribed over-the-counter drugs that are not "covered outpatient drugs" shall be \$3.65. The dispensing fee is prorated based on the percent of the package dispensed when the pharmacy dispenses a quantity less than the manufacturer's package size.

In addition, the State agency will receive a rebate for prescribed drugs in accordance with the manufacturer's contract with the Centers for Medicare & Medicaid Services.

The base rates as described in this item are adjusted by the following paragraph(s) of Supplement 2:

- cc. Supplemental payment for medical education
- d. MinnesotaCare Tax Adjustment (ingredient cost only)