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State/Territory Name: Minnesota

State Plan Amendment (SPA)#: MN-24-0017

This file contains the following document 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 Health Programs Group

July 22, 2024

John Connolly
Assistant Commissioner and State Medicaid Director
Minnesota Department of Human Services
540 Cedar Street
St. Paul, MN 55164-0983

Dear John Connolly,

The CMS Division of Pharmacy team has reviewed Minnesota State Plan Amendment (SPA) 24-0017 received in the CMS Medicaid Services OneMAC application on May 8, 2024. This SPA proposes to add authority for the state to engage in value-based purchasing contracts under the pharmacy benefit.

Based on the information provided and consistent with the regulations at 42 CFR 430.20, we are pleased to inform you that SPA 24-0017 is approved with an effective date of April 1, 2024. Our review was limited to the materials necessary to evaluate the SPA under applicable federal laws and regulations.

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 amendment, please contact Lisa Shochet at (410) 786-5445 or lisa.shochet@cms.hhs.gov.

Sincerely,



Cynthia R. Denemark, R.Ph.
Director
Division of Pharmacy

cc: Julie Marquardt, Deputy Assistant Commissioner of Healthcare Admin, MN Dept of Human Services
Patrick Hultman, Deputy Medicaid Director, MN Dept of Human Services
Chad Hope, Pharm.D, MN Dept of Human Services
Sandra Porter, Minnesota State Lead, Medicaid and CHIP Operations Group, CMS

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| <p>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</p> <p>FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES</p> | <p>1. TRANSMITTAL NUMBER <u>2</u> <u>4</u> — <u>0</u> <u>0</u> <u>1</u> <u>7</u></p> | <p>2. STATE <u>MN</u></p> |
| <p>TO: CENTER DIRECTOR CENTERS FOR MEDICAID & CHIP SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES</p> | <p>3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT <input checked="" type="radio"/> XIX <input type="radio"/> XXI</p> | |
| <p>5. FEDERAL STATUTE/REGULATION CITATION <u>Title XIX, section 1927(k); 42 CFR 447.502</u></p> | <p>4. PROPOSED EFFECTIVE DATE <u>April 1, 2024</u></p> | |
| <p>7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT <u>Attachment 3.1-A, page 46g</u> <u>Attachment 3.1-B, page 45g</u></p> | <p>6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY <u>2024</u> \$ <u>0</u> b. FFY <u>2025</u> \$ <u>0</u></p> | |
| <p>9. SUBJECT OF AMENDMENT <u>Value-based purchasing authority for pharmacy</u></p> | <p>8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) <u>same</u></p> | |

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:

| | |
|--|---|
| <p>11. SIGNATURE OF STATE AGENCY OFFICIAL </p> | <p>15. RETURN TO Patrick Hultman Minnesota Department of Human Services Federal Relations Unit 540 Cedar Street PO Box 64983 Saint Paul, MN 55164</p> |
| <p>12. TYPED NAME Patrick Hultman</p> | <p>14. DATE SUBMITTED May 8, 2024</p> |
| <p>13. TITLE Deputy Medicaid Director</p> | |

FOR CMS USE ONLY

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| <p>16. DATE RECEIVED May 8, 2024</p> | <p>17. DATE APPROVED July 22, 2024</p> |
|--|--|

PLAN APPROVED - ONE COPY ATTACHED

| | |
|--|---|
| <p>18. EFFECTIVE DATE OF APPROVED MATERIAL April 1, 2024</p> | <p>19. SIGNATURE OF APPROVING OFFICIAL </p> |
| <p>20. TYPED NAME OF APPROVING OFFICIAL Cynthia R. Denemark, R.Ph.</p> | <p>21. TITLE OF APPROVING OFFICIAL Director, Division of Pharmacy</p> |

22. REMARKS

STATE: Minnesota
Effective: April 1, 2024
TN: 24-0017

Approved: July 22, 2024
Supersedes: 19-06, 12-10 (05-09, 04-09, 03-36)

12a. Prescribed drugs (continued)

4. The unit rebate amount is confidential and will not be disclosed except in accordance with §1927(b)(3)(D) of the Act.
5. A drug that the Department determines comes within its multi-state supplemental drug rebate program for Medicaid recipients as allowed by §1927, but for which a manufacturer has not signed a supplemental drug rebate agreement authorized by CMS, will be prior authorized.

Even if a manufacturer has not signed a supplemental drug rebate agreement, there is never prior authorization for any atypical antipsychotic drug prescribed for the treatment of adult mental illness if:

- there is no generically equivalent drug available; and
- the drug was initially prescribed for the recipient before July 1, 2003; or
- the drug is part of the recipient's current course of treatment.

Medicaid covers the following prescribed drugs not eligible for rebate:

- vitamins for adults with documented vitamin deficiencies
- vitamins for children under the age of seven and pregnant or nursing women

The State may enter into value-based contracts with manufacturers on a voluntary basis. These contracts will be executed on the model agreement entitled "Value-Based Supplemental Rebate Agreement" authorized for use beginning April 1, 2024.

12a. Prescribed drugs (continued)

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