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**State/Territory Name: South Carolina**

**State Plan Amendment (SPA) #: 24-0001**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Approved SPA Page

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**

**Medicaid Benefits and Health Programs Group**

May 29, 2024

Robert M. Kerr  
Director  
South Carolina Department of Health and Human Services  
Post Office Box 8206  
Columbia, SC 29202-8206

re: South Carolina State Plan Amendment (SPA) 24-0001

Dear Director Kerr:

The CMS Division of Pharmacy team has reviewed South Carolina's SPA 24-0001, received in the CMS Division of Program Operations on March 22, 2024. This amendment will allow South Carolina to enter Value Based Agreements and Direct Manufacturer Supplemental Rebates.

Based on the information provided and consistent with the regulations at 42 CFR 447.20, we are pleased to inform you SC-24-0001 is approved with an effective date of January 1, 2024. We are attaching a copy of the signed CMS-179 form, as well as the page approved for incorporation into South Carolina's state plan.

If you have any questions regarding this state plan amendment, please contact Desiree Elekwa Izuakor at 667-290-9590 or [desiree.elekwaizuakor@cms.hhs.gov](mailto:desiree.elekwaizuakor@cms.hhs.gov).

Sincerely,

A solid black rectangular box redacting the signature of Cynthia R. Denemark.

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

cc: Margaret Alewine, South Carolina Department of Health and Human Services  
Shelia Chavis, South Carolina Department of Health and Human Services  
Etta Hawkins, South Carolina State Lead, CMS

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>  <b>FOR: CENTERS FOR MEDICARE &amp; MEDICAID SERVICES</b>	1. TRANSMITTAL NUMBER <u>2 4 - 0 0 0 1</u>	2. STATE <u>SC</u>
	3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT <input checked="" type="radio"/> XIX <input type="radio"/> XXI	
TO: CENTER DIRECTOR CENTERS FOR MEDICAID & CHIP SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE <p style="text-align: center;">January 1, 2024</p>	
5. FEDERAL STATUTE/REGULATION CITATION 42 USC 1396r-8 and 42 CFR 440.120	6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a FFY <u>2024</u> \$ <u>0</u> b FFY <u>2025</u> \$ <u>0</u>	
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT  Attachment 3.1.A Limitation Supplement, page 5b	8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)  Attachment 3.1-A Limitation Supplement, page 5b	

9. SUBJECT OF AMENDMENT

This SPA will allow South Carolina to enter Value Based Agreements and Direct Manufacturer Supplemental Rebate Agreements

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:  
 Mr. Kerr was designated by the SC Governor to review and approve all State Plans.

1. AGENCY OFFICIAL 	15. RETURN TO South Carolina Department of Health and Human Services Post Office Box 8206 Columbia, SC 29202-8206
12. TYPED NAME Robert M. Kerr	
13. TITLE Director	
14. DATE SUBMITTED March 15, 2024	

**FOR CMS USE ONLY**

16. DATE RECEIVED March 22, 2024	17. DATE APPROVED May 29, 2024
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**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL January 01, 2024	19.
20. TYPED NAME OF APPROVING OFFICIAL Cynthia R. Denmark, R.Ph	21. TITLE OF APPROVING OFFICIAL Director, Division of Pharmacy

22. REMARKS

- 12.a PHARMACY SERVICES. The pharmacy benefit provides certain medications to eligible Medicaid recipients, pursuant to, and in compliance with, Section 1927 of the Act.

Prescription/refill quantities are generally limited to a maximum thirty-one (31) day supply per fill. Exceptions to the 31-day supply include: (1) systemic contraceptives and (2) products for which packaging does not allow a 31-day dispensation.

Based on the requirements in Section 1927 of the Act, the state has the following policies for the supplemental rebate program for the Medicaid population:

- (A) CMS has authorized the State of South Carolina to enter into the Michigan multi-state pooling agreement (MMSPA) also referred to as the National Medicaid Pooling Initiative (NMPI). The Amendment to the Supplemental Drug Rebate Agreement was submitted to the Center for Medicare and Medicaid Services (CMS) on October 1, 2013 and approved for existing agreements with the pharmaceutical manufacturers.
- (B) Any contracts or agreements with pharmaceutical manufacturers not currently approved by CMS will be submitted for CMS approval.
- (C) CMS has authorized the State of South Carolina to enter into a state supplemental rebate agreement between the state and a drug manufacturer for drugs provided to Medicaid recipients. This agreement was submitted to CMS on March 22, 2024, and entitled "State of South Carolina, South Carolina Medicaid Supplemental Rebate Agreement."
- (D) The state may enter into value-based contracts with manufacturers on a voluntary basis. The contracts will be executed on the model agreement entitled "State of South Carolina, Value-Based Supplemental Rebate Agreement" submitted to CMS on March 22, 2024, and authorized for use beginning January 1, 2024.