

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

March 13, 2024

Lynette R. Rhodes, Esq.
Chief Health Policy Officer
Medical Assistance Plans Division
Georgia Department of Community Health
2 Martin Luther King Jr. Drive SE
East Tower, 18th Floor
Atlanta, Georgia 30334

re: Georgia State Plan Amendment (SPA) 23-0011

Dear Director Rhodes:

The CMS Division of Pharmacy team has reviewed Georgia State Plan Amendment (SPA) 23-0011, received in the CMS Division of Program Operations on December 30, 2023. This amendment proposes to allow Georgia to enter into value-based and outcome-based contracts.

Based on the information provided and consistent with the regulations at 42 CFR 447.20, we are pleased to inform you GA-23-0011 is approved with an effective date of January 01, 2024. Our review was limited to the material 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 page approved for incorporation into Georgia'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.

Sincerely,

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

cc: Peter D'Alba, Director, Pharmacy Services, GA Department of Community Health
Melonie Wilson, GA Department of Community Health
Etta Hawkins, Georgia State Lead, CMS

12a. PRESCRIBED DRUGS (continued)

No payment will be made for innovator multiple source drugs for which federal upper limits have been established, unless the physician has certified that the brand is medically necessary in his own handwriting on the prescription and prior authorization is granted.

Prior Approval is required for recipients to obtain certain types of drugs with therapy limitations and for certain drugs prior to dispensing.

- Effective July 1, 1991, prior authorization is provided through a vendor contractual agreement pursuant to 42 U.S.C. section 1396-r, the state is establishing a preferred drug list. The process for prior authorization of drugs not included on the preferred drug list will be determined. Prior authorization will be provided with a 24-hour turn-around from receipt of request and a 72-hour supply of drugs will be provided in emergency situations.
- Prior authorization will be established for certain drug classes or particular drugs in accordance with Federal law.

The state will utilize the drug utilization review board to ensure that in addition to pricing consideration, preferred drugs are clinically appropriate.

Supplemental Rebate Program

The state is in compliance with Section 1927 of the Social Security Act. Based on the requirements for Section 1927 of the act, the State has the following policies for the supplemental drug rebate program for the Medicaid population. All covered drugs of federal rebate participating manufacturers remain available to the Medicaid program but may require prior authorization. The state is in compliance with reporting requirements for utilization and restrictions to covered populations.

- A. CMS has authorized the State of Georgia to collect supplemental rebates by way of a supplemental rebate agreement (SSSRA) program effective July 1, 2009. The Supplemental Drug Rebate Agreement was updated and submitted to CMS on April 10, 2018 and has been authorized by CMS for pharmaceutical manufacturer agreements.
- B. Any contracts not authorized by CMS will be submitted to the Centers for Medicare and Medicaid Services for approval.
- C. All drugs covered by the program irrespective of a supplemental agreement, will comply with the provisions of the national drug rebate agreement.
- D. Supplemental rebates received by the state for the Medicaid population (FFS & MCO) in excess of those required under the national drug rebate agreement will be shared with the federal government. The state will remit the federal portion of any cash state supplemental rebates collected on the same percentage basis as applied under the national rebate agreement for the
- E. The unit rebate amount is confidential and cannot be disclosed for purposes other than rebate invoicing and verification, in accordance with Section 1927 (b)(3)(D);
- F. Acceptance of supplemental rebates for products covered in the Medicaid program does not exclude the manufacturers' product(s) from prior authorization or other utilization management requirements.
- G. Rebates paid under CMS-approved, SSSRA for the Georgia Medicaid population does not affect AMP or best price under the Medicaid program.
- H. The State may enter into value/ outcomes-based contracts with manufacturers for FFS & MCO's. The contracts will be executed on the model agreement or contract titled "Value-Based Supplemental Agreement".