

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**

September 19, 2024

Stuart Portman  
Executive Director  
Medical Assistance Plans Division  
Georgia Department of Community Health  
2 Martin Luther King Jr. Dr., 19th Floor  
Atlanta, Georgia 30334

re: Georgia State Plan Amendment (SPA) 24-0004

Dear Director Portman:

The CMS Division of Pharmacy team has reviewed Georgia's SPA 24-0004, received in the CMS Medicaid Services OneMAC application on June 28, 2024. This amendment proposes to allow Georgia to increase the professional dispensing fee to \$11.50 for independent low volume pharmacies that fill under 65,000 prescriptions per year.

Based on the information provided and consistent with the regulations at 42 CFR 447.20, we are pleased to inform you GA-24-0004 is approved with an effective date of July 1, 2024. We are attaching a copy of the updated and 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](mailto:desiree.elekwaizuakor@cms.hhs.gov).

Sincerely,

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

cc: Peter D'Alba GA Department of Community Health  
Lynette R. Rhodes, GA Department of Community Health  
Etta Hawkins, CMS, Georgia State Lead

## DIVISION POLICY AND METHODS FOR ESTABLISHING PAYMENT RATES FOR OTHER TYPES OF CARE OR SERVICES

Covered Outpatient drugs will be reimbursed based on the established product cost plus a professional dispensing fee. The amount billed should be no more than the usual and customary charge (U&C) to the private pay patient. The following methodology is used to establish Medicaid payments:

- 1. Reimbursement for legend and non-legend drugs shall not exceed the lowest of:**
  - (a) The Georgia Maximum Allowable Cost (GMAC) plus a professional dispensing fee
  - (b) The Georgia Estimated Actual Acquisition Cost (GEAC) plus a professional dispensing fee
  - (c) The Federal Upper Limit (FUL) plus a professional dispensing fee
  - (d) The usual and customary charge or the submitted ingredient cost
  - (e) The Select Specialty Pharmacy Rate (SSPR) plus a professional dispensing fee

### DEFINITIONS:

Georgia Maximum Allowable Cost (GMAC) is the National Average Drug Acquisition Cost (NADAC) data published by the Center for Medicare & Medicaid Services (CMS). If CMS does not publish a NADAC for a covered outpatient drug the Georgia Maximum Allowable Cost (GMAC) reimbursement may be established by the State for selected drugs.

Georgia Estimated Actual Acquisition Cost (GEAC) is the Actual Acquisition Cost (AAC) as established by the State.

Usual and Customary: The Division defines usual and customary as the lower of the lowest price reimbursed to the pharmacy by other third-party payers (including HMOs); or, the lowest price routinely offered to any segment of the general public.

Select Specialty Pharmacy Rate (SSPR) is the Actual Acquisition Cost (AAC) for select specialty pharmaceuticals based on the product dispensed and the State's ability to ensure access to the medication at that reimbursement level.

1. 340B Actual Acquisition Drug Pricing is the submitted ingredient cost 340B purchase price but no more than the 340B ceiling price plus a professional dispensing fee. 340B covered entity pharmacies that carve Medicaid into the 340B drug pricing program will be reimbursed no more than the 340B ceiling price plus a professional dispensing fee. 340B covered entities purchasing drugs outside the program will be reimbursed according to the lesser of logic defined in section number 1 above.
2. Drugs acquired through the federal 340B drug pricing program and dispensed by 340B contract pharmacies are not covered.
3. Professional Dispensing Fee. The reasonable professional dispensing fee is defined as a fee that is incurred at the point of sale or service and pays for costs in excess of the ingredient cost of a covered outpatient drug each time a covered outpatient drug is dispensed. The Medicaid dispensing fee shall be \$10.63 for pharmacies with the following exception:
  - The professional dispensing fee shall be \$11.50 for Independent Pharmacies with a prescription claim volume of  $\leq 65,000$  per year.