

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Atlanta Regional Office
61 Forsyth Street, Suite 4T20
Atlanta, Georgia 30303



DIVISION OF MEDICAID & CHILDREN'S HEALTH OPERATIONS

October 17, 2017

Blake Fulenwider
Deputy Commissioner, Medicaid Chief
Georgia Department of Community Health
2 Peachtree Street, NW, Suite 36-450
Atlanta, GA 30303

Re: Georgia State Plan Amendment 17-0001

Dear Mr. Fulenwider:

This is to affirm approval of the above referenced State Plan Amendment which was submitted to the Regional Office on February 16, 2017. The State's requested effective date of April 1, 2017 has been accepted.

Enclosed for your records are:

1. a copy of the approval letter dated October 13, 2017 that was submitted to the State by John M. Coster, Director, Division of Pharmacy;
2. The original signed 179; and
3. The approved plan pages.



If you have any additional questions regarding this amendment, please contact Etta Hawkins, State Coordinator for Georgia, at 404-562-7429.

Sincerely,

A handwritten signature in blue ink that reads "Shantrina Roberts".

Shantrina Roberts
Acting Associate Regional Administrator
Division of Medicaid & Children's Health Operations

Enclosure(s)

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: 17-001	2. STATE GEORGIA
		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE AND MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE April 1, 2017	
5. TYPE OF PLAN MATERIAL (Check One):			
<input type="checkbox"/> NEW STATE PLAN <input checked="" type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input type="checkbox"/> AMENDMENT COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: 42 C.F.R. § 447.205		7. FEDERAL BUDGET IMPACT: FFY 2017 \$67,890 FFY 2018 \$137,000	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B, page 2-2.1.b		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-B, page 2-2.1.b	
10. SUBJECT OF AMENDMENT: Outpatient Drug Reimbursement Update for compliance with Covered Outpatient Drug Rule (CMS-2345-FC).			
11. GOVERNOR'S REVIEW (Check One):			
<input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL		<input checked="" type="checkbox"/> OTHER, AS SPECIFIED: Single State Agency Comments Attached	
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO: Department of Community Health Division of Medicaid 2 Peachtree Street, NW, 36 th Floor Atlanta, Georgia 30303-3159	
13. TYPED NAME: LINDA WIANT			
14. TITLE: CHIEF, DIVISION OF MEDICAID			
15. DATE SUBMITTED:			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: 02/20/17		18. DATE APPROVED: 10/13/17	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: 04/01/17		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: Shantrina Roberts		22. TITLE: Acting Associate Regional Administrator Division of Medicaid & Children's Health Operations	
23. REMARKS:			

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 and 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 Wholesale Acquisition Cost (WAC) 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 HMO's); 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 lessor of logic defined in section I. 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.

4. Clotting Factors will be reimbursed at the lesser of providers U&C, or the Select Specialty Pharmacy Rate plus the PDF, or the WAC plus the PDF.
5. For federal supply schedule (FSS) purchased drugs, their provider agreements will require them to bill at no more than their actual acquisition cost plus the professional dispensing fee. FSS purchased drugs will be reimbursed at no more than the actual acquisition cost plus the professional dispensing fee
6. Drugs acquired at nominal price (outside of 340B or FSS) will be reimbursed at no more than the actual acquisition cost plus the professional dispensing fee.
7. Investigational drugs are not a covered service under Georgia's Medicaid pharmacy program.
8. Pharmacies providing services to Long Term Care beneficiaries will be reimbursed for ingredient cost using the lesser of methodology plus the established professional dispensing fee.

Provider Administered Drug Reimbursement Methodology:

The maximum allowable reimbursement for provider administered drugs in an office or outpatient setting, will be reimbursed according to the Average Sales Price (ASP) plus 3%.

Covered provider administered drugs for which CMS does not publish an ASP price will be reimbursed in accordance with the Georgia Estimated Actual Acquisition Cost (GEAC).