

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**
FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

13 - 12

2. STATE:

Michigan

3. PROGRAM IDENTIFICATION:

TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH FINANCING ADMINISTRATION
DEPARTMENT OF HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

October 1, 2013

5. TYPE OF PLAN MATERIAL (Check One):

NEW STATE PLAN

AMENDMENT TO BE CONSIDERED AS NEW PLAN

AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR 447.333(a)

7. FEDERAL BUDGET IMPACT:

a. FFY 2014 \$0

b. FFY 2015 \$0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Supplement to Attachment 3.1-A, Page 24

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

Supplement to Attachment 3.1-A, Page 24

10. SUBJECT OF AMENDMENT:

Pharmacy Rebate Agreements: Incorporating modifications and updates to the National Medicaid Pooling Initiative (NMPI) SRA as requested by CMS.

11. 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:

Stephen Fitton, Director

Medical Services Administration

12. SIGNATURE OF STATE AGENCY OFFICIAL:



13. TYPED NAME:

Stephen Fitton

14. TITLE:

Director, Medical Services Administration

15. DATE SUBMITTED:

September 25, 2013

16. RETURN TO:

Medical Services Administration
Actuarial Division
Capitol Commons Center - 7th Floor
400 South Pine Street
Lansing, Michigan 48933

Attn: Loni Hackney

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

18. DATE APPROVED:

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPE NAME:

22. TITLE:

23. REMARKS:

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State of MICHIGAN

***Amount, Duration and Scope of Medical and Remedial Care
Services Provided to the Categorically and Medically Needy***

12. Drug Products, Dentures, Prosthetic and Orthotic Devices, Eyeglasses (continued)
- a. Drug Products (continued)
7. A drug use review program, including prospective and retrospective drug utilization review, has been implemented in compliance with federal law.
 8. Claims management is electronic, in compliance with federal law.
 9. 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 rebate program for the Medicaid population:
 - (A) CMS has authorized the State of Michigan to enter into the Michigan multi-state pooling agreement (MMSPA) also referred to as the National Medicaid Pooling Initiative (NMPI) for drugs provided to Medicaid beneficiaries. The NMPI Supplemental Rebate Agreement (SRA) and the Amendment to the SRA submitted to CMS on December 8, 2003 have been authorized for pharmaceutical manufacturers' existing agreements through their current expiration dates. The updated NMPI SRA submitted to CMS on February 1, 2008 has been authorized for renewal and new agreements with pharmaceutical manufacturers for drugs provided to Medicaid beneficiaries. **THE UPDATED NMPI SRA SUBMITTED TO CMS ON SEPTEMBER 25, 2013, HAS BEEN AUTHORIZED FOR RENEWAL AND NEW AGREEMENTS WITH PHARMACEUTICAL MANUFACTURERS FOR DRUGS PROVIDED TO MEDICAID BENEFICIARIES.**
 - (B) New contracts will be submitted to CMS for prior approval.
 - (C) Supplemental rebates received by the State in excess of those required under the national drug rebate agreement will be shared with the Federal government on the same percentage basis as applied under the national drug rebate agreement.
 - (D) All drugs covered by the program, irrespective of a prior authorization requirement, will comply with provisions of the national drug rebate agreement.
- b. Dentures
- Dentures are a covered benefit for recipients under the EPSDT program if determined necessary by a licensed dentist (Item 10 of this attachment) to correct masticatory deficiencies likely to impair general health. Prior authorization is required. If the client has an existing denture, replacement is permissible only if the existing denture cannot be relined or rebased, whether or not the existing denture was obtained through the Michigan Medical Assistance Program.
- Reimbursement for complete or partial dentures includes the costs of any necessary adjustments within six months of insertion. Dentures will be replaced when medically necessary. Prior authorization is required.
- c. Prosthetic and Orthotic Devices
- Such devices are provided under the following conditions only:
1. when provided to a hospital inpatient, upon a physician's order indicating that the device is essential to the client's medical treatment plan; or,
 2. when prior authorized as medically necessary and provided on an outpatient basis or for a recipient in a long term care facility.

TN NO.: 13-12

Approval Date: _____

Effective Date: 10/01/2013

Supersedes

TN No.: 07-18



STATE OF MICHIGAN

DEPARTMENT OF COMMUNITY HEALTH
LANSING

RICK SNYDER
GOVERNOR

JAMES K. HAVEMAN
DIRECTOR

September 13, 2013

NAME
TITLE
ADDRESS
CITY STATE ZIP

Dear Tribal Chair and Health Director:

RE: Amending Title XIX State Plan to modify the National Medicaid Pooling Initiative (NMPI) Supplemental Rebate Agreement to align with the Affordable Care Act (ACA) definitions and provide States more flexibility managing outpatient drug costs

This letter, in compliance with Section 6505 of the ACA, serves as notice of intent to all Tribal Chairs and Health Directors of the request by the Michigan Department of Community Health (MDCH) to submit a State Plan Amendment.

The purpose of the State Plan Amendment (SPA) is to modify the National Medicaid Pooling Initiative (NMPI) Supplemental Rebate Agreement terms to align with Affordable Care Act definitions. The SPA would also modify the structure of the agreement to allow individual State Medicaid programs to acquire NMPI Supplemental Rebates for outpatient drugs covered as a Managed Care benefit under certain circumstances, in addition to those that are acquired today when the outpatient drug is covered as a Fee-For-Service benefit. Drug manufacturers enter into an NMPI Supplemental Rebate Agreement with the Michigan Department of Community Health and its Medicaid rebate administrator, currently Magellan Medicaid Administration. The agreement requires that the manufacturer pay a supplemental rebate in addition to its federal Medicaid rebate for its drug products identified as 'Preferred' on the Department's Preferred Drug List (PDL). The State Plan Amendment identifies the proposed NMPI Supplemental Rebate Agreement changes as effective October 1, 2013, to allow State Medicaid programs ability to utilize the new agreement upon receipt of Federal approval on or before January 1, 2014.

You may submit comments regarding this Notice of Intent to msapolicy@michigan.gov. If you would like to discuss the Notice of Intent, please contact Lorna Elliott-Egan, Medicaid Liaison to the Michigan Tribes. Lorna can be reached at (517) 373-4963 or via e-mail at Elliott-EganL@michigan.gov.

There is no public hearing scheduled for this SPA.

Sincerely,

Stephen Fitton, Director
Medical Services Administration

cc: Leslie Campbell, Region V, CMS
Pamela Carson, Region V, CMS
Ashley Tuomi, MHPA, Executive Director, American Indian Health and Family Services of Southeastern Michigan
L. John Lufkins, Executive Director, Inter-Tribal Council of Michigan, Inc.
Jenny Jenkins, Acting Area Director, Indian Health Service - Bemidji Area Office
Lorna Elliott-Egan, MDCH

**Distribution List for L 13-50
September 13, 2013**

Mr. Kurt Perron, Tribal Chairman, Bay Mills Indian Community
Ms. Vicki Newland, Health Director, Bay Mills (Ellen Marshall Memorial Center)
Mr. Alvin Pedwaydon, Tribal Chairman, Grand Traverse Band Ottawa & Chippewa Indians
Ms. Loi Chambers, Health Director, Grand Traverse Band Ottawa/Chippewa
Mr. Kenneth Meshigaud, Tribal Chairman, Hannahville Indian Community
Ms. G. Susie Meshigaud, Health Director, Hannahville Health Center
Mr. W. Chris Swartz, President, Keweenaw Bay Indian Community
Ms. Carole LaPointe, Health Director, Keweenaw Bay Indian Community - Donald Lapointe Health/Educ Facility
Mr. James Williams, Jr., Tribal Chairman, Lac Vieux Desert Band of Lake Superior Chippewa Indians
Ms. Terry Fox, Health Director, Lac Vieux Desert Band
Mr. Larry Romanelli, Ogema, Little River Band of Ottawa Indians
Mr. Robin Carufel, Health Director, Little River Band of Ottawa Indians
Mr. Dexter McNamara, Tribal Chairman, Little Traverse Bay Band of Odawa Indians
Ms. Sharon Sierzputowski, Health Director, Little Traverse Bay Band of Odawa
Mr. DK Sprague, Tribal Chairman, Match-E-Be-Nash-She-Wish Potawatomi Indians (Gun Lake Band)
Ms. Phyllis Davis, Health Director, Match-E-Be-Nash-She-Wish Potawatomi
Mr. Homer Mandoka, Vice Tribal Chairman, Nottawaseppi Huron Band of Potawatomi Indians
Ms. Rosalind Johnston, Health Director, Huron Potawatomi Inc.- Tribal Health Department
Mr. Matt Wesaw, Tribal Chairman, Pokagon Band of Potawatomi Indians
Mr. Arthur Culpepper, Health Director, Pokagon Potawatomi Health Services
Mr. Dennis V. Kequom Sr, Tribal Chief, Saginaw Chippewa Indian Tribe
Ms. Gail George, Health Director, Nimkee Memorial Wellness Center
Mr. Aaron Payment, Tribal Chairman, Sault Ste. Marie Tribe of Chippewa Indians
Ms. Bonnie Culfa, Health Director, Sault Ste. Marie Tribe of Chippewa Indians - Health Center

CC: Leslie Campbell, Region V, CMS
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