

Department of Health & Human Services
Centers for Medicare & Medicaid Services
233 North Michigan Avenue, Suite 600
Chicago, Illinois 60601-5519



AUG 08 2012

Stephen Fitton, Director
Medical Services Administration
Federal Liaison Unit
Michigan Department of Community Health
400 South Pine
Lansing, Michigan 48933

ATTN: Loni Hackney

Dear Mr. Fitton:

Enclosed for your records is an approved copy of the following State Plan Amendment:

Transmittal #09-017 - Pharmacy dispensing fee increase and the administration of vaccines – H1N1 and seasonal flu.

Effective date: October 1, 2009

If you have any questions, please contact Leslie Campbell by telephone at (312) 353-1557 or by e-mail at Leslie.Campbell@cms.hhs.gov.

Sincerely,

A handwritten signature in black ink that reads "Verlon Johnson". The signature is written in a cursive style with a long horizontal flourish at the end.

Verlon Johnson
Associate Regional Administrator
Division of Medicaid & Children's Health Operations

Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION	1. TRANSMITTAL NUMBER: 09 - 17	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, 2009	

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 430.12(c)	7. FEDERAL BUDGET IMPACT: a. FFY 10 \$ 988,143.79 b. FFY 11 \$ 1,159,372.55
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B, Page 1c Attachment 4.19-B, Page 6f Supplement to Attachment 3.1-A, Page 17a.1 (new)	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-B, Page 1c Attachment 4.19-B, Page 6f

10. SUBJECT OF AMENDMENT:
Pharmacy dispensing fee increase and reimbursement for the administration of vaccines - H1N1 and seasonal flu

11. GOVERNOR'S REVIEW (Check One):

GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED:
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED Stephen Fitton, Director
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL Medical Services Administration

12. SIGNATURE OF STATE AGENCY OFFICIAL: <i>Stephen Fitton</i>	16. RETURN TO: Medical Services Administration Program/Eligibility Policy Division - Federal Liaison Unit Capitol Commons Center - 7 th Floor 400 South Pine Lansing, Michigan 48933
13. TYPED NAME: Stephen Fitton	17. DATE RECEIVED: December 17, 2009
14. TITLE: Director, Medical Services Administration	18. DATE APPROVED: August 8, 2012
15. DATE SUBMITTED: May 10, 2012 (original submission: December 17, 2009)	Attn: Loni Hackney

FOR REGIONAL OFFICE USE ONLY

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: October 1, 2009	20. SIGNATURE OF REGIONAL OFFICIAL: <i>Verlon Johnson</i>
21. TYPE NAME: Verlon Johnson	22. TITLE: Associate Regional Administrator

23. REMARKS:

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of MICHIGAN

***Policy and Methods for Establishing Payment Rates
(Other than Inpatient Hospital and Long Term Care Facilities)***

2. Drug Product Reimbursement

- a) Reimbursement for drug products is the lower of an Average Wholesale Price (AWP) minus discounts, a Maximum Allowable Cost (MAC), or the provider's charge. The discount from AWP for chain pharmacies and pharmacies serving nursing facility beneficiaries is 15.1% and the discount from AWP for independent pharmacies, including chains of fewer than five stores, is 13.5%
- b) The State has established dispensing fees. Effective December 1, 2009, program reimbursement for long-term care pharmacies is the lesser of the standard dispensing fee (\$3.00) or the long-term care pharmacy's usual and customary fee. Program reimbursement for all other pharmacies (non long-term care) is the lesser of the standard dispensing fee (\$2.75) or the pharmacy's usual and customary fee. A dispensing fee of \$6.00 will be reimbursed to a pharmacy if the final dosage form is a cream, emulsion, nasal drops, ointments, or optic drugs. A dispensing fee of \$10.00 will be reimbursed to a pharmacy for compounded capsules, powders or suppositories.
- c) MAC Limits set by the State in aggregate are equal to or less than Federal Upper Limits, in compliance with federal law.
- d) Prior authorization is required for exception to MAC Limits.
- e) The optional Mail Order Pharmacy program reimburses a zero dollar (\$0.00) amount for the dispensing fee. Brand name drugs are reimbursed AWP minus 21%; generic drugs are reimbursed at the MAC Limits; and, non-MAC generic drugs are reimbursed AWP minus 52%.
- f) Medicaid enrolled pharmacy providers may bill for the injectable drug Synagis dispensed on or after January 1, 2005.

TN NO.: 09 - 17

Approval Date: AUG 08 2012

Effective Date: 10/01/2009

Supersedes

TN No.: 09 - 14

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State of MICHIGAN

*Policy and Methods for Establishing Payment Rates
(Other than Inpatient Hospital and Long-Term Care Facilities)*

16. Other Services (continued)

Influenza vaccinations –

Effective for services provided on or after October 5, 2009, the administration of the 2009 influenza (H1N1) monovalent vaccine is reimbursed the lesser of the Medicaid fee screen or the provider's usual and customary charge minus any third party payment. The provider's usual and customary charge should be the fee most frequently charged to patients. The payment rate is uniform for private and governmental providers. The Michigan Medicaid fee schedule effective October 5, 2009 may be found at www.michigan.gov/medicaidproviders.

Effective for services provided on or after July 1, 2010, the administration of the seasonal flu vaccine is reimbursed the lesser of the Medicaid fee screen or the provider's usual and customary charge minus any third party payment. The provider's usual and customary charge should be the fee most frequently charged to patients. The payment rate is uniform for private and governmental providers. The Michigan Medicaid fee schedule effective July 1, 2010 may be found at www.michigan.gov/medicaidproviders.

TN NO.: 09-17

Approval Date: AUG 08 2012

Effective Date: 10/01/2009

Supersedes

TN No.: N/A new page

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***

6. Medical Care Furnished by Practitioners within the Scope of their Practice as Defined by State Law
(continued)

d. Other Practitioner Services (continued)

Pharmacists ~ Effective October 5, 2009 the administration of the H1N1 influenza vaccine and effective July 1, 2010, the administration of the seasonal influenza vaccine are covered when provided by a licensed pharmacist as authorized by the State within their scope of practice.

TN NO.: 09-17

Approval Date: **AUG 08 2012**

Effective Date: 10/01/2009

Supersedes
TN No.: N/A new page