

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

1. TRANSMITTAL NUMBER: 20 - 0006	2. STATE: Michigan
3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID) TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
4. PROPOSED EFFECTIVE DATE October 1, 2020	

TO: REGIONAL ADMINISTRATOR
HEALTH FINANCING ADMINISTRATION
DEPARTMENT OF HUMAN SERVICES

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:
Sections 1902 and 1903 of the Social Security Act

7. FEDERAL BUDGET IMPACT:
a. FFY 2020 (\$150,900,000)
b. FFY 2021 (\$185,730,000)

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (*If Applicable*):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

The purpose of this SPA is to establish a single Preferred Drug List (PDL) for Michigan Medicaid Pharmacy coverage.

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:
Kate Massey, Director
Medical Services Administration

12. SIGNATURE OF STATE AGENCY OFFICIAL:



13. TYPED NAME:
Kate Massey

14. TITLE:
Director, Medical Services Administration

15. DATE SUBMITTED:
June 30, 2020

16. RETURN TO:

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

Attn: Erin Black

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, and Eyeglasses

a. Drug Products

1. Drug products are covered when prescribed or ordered by a physician, dentist or other licensed practitioner within the scope of his/her practice and when obtained from a licensed pharmacy.
2. Coverage of selected legend and over the counter products from manufacturers that have not entered into or have in effect a rebate agreement as required are limited to those products essential to the health of the beneficiary and that have an 1-A rating by the Food and Drug Administration. Coverage requires prior authorization.
3. Prior authorization may be applied to any drug product, in compliance with federal law.
 - A. A request for prior authorization is processed within 24 hours of receipt.
 - B. A 72-hour supply of medically necessary covered drug products is provided in an emergency situation.
4. Drug products may be restricted from coverage when use is not for medically accepted indication or when the drug is excluded from Michigan's drug product list, in compliance with federal law. THE PREFERRED DRUG LIST IS FOR ALL STATE OF MICHIGAN MEDICAID BENEFICIARIES RECEIVING PHARMACY BENEFITS.
5. To provide economies and efficiencies in the Medicaid program, the state applies the same prior authorization requirements and supplemental rebate provisions utilized in the Medicaid program to its Maternity Outpatient Medical Services (MOMS) state sponsored non-Medicaid pharmacy program. By applying the same provisions to this program, the state is able to maintain the current level of Pharmacy benefits to the Medicaid population. Furthermore, providing pharmacy benefits to the financially needy potential Medicaid population improves the overall health status of this population, thereby slowing their rate of enrollment for full Medicaid benefits. The non-Medicaid pharmacy program population affected is the MOMS program, as in effect on October 2002 and as consistent with documentation provided to CMS related to submission of SPA TN 02-19. Individuals in the MOMS program include teenagers age 17 and under, who because of confidentiality concerns, choose not to apply for Medicaid. These individuals are likely to be Medicaid eligible, but the prenatal care offered through MOMS, including the pharmacy benefits offer the opportunity for prenatal care to be given without providing the complete Medicaid benefit.
6. Other drug restrictions include: i) dosage and quantity limits ii) refill limits iii) other parameters necessary to ensure appropriate utilization or to prevent fraud and abuse.

TN NO.: 20-0006

Approval Date: _____

Effective Date: 10/01/2020

Supersedes

TN No.: 06-10



STATE OF MICHIGAN

GRETCHEN WHITMER
GOVERNOR

DEPARTMENT OF HEALTH AND HUMAN SERVICES
LANSING

ROBERT GORDON
DIRECTOR

April 30, 2020

NAME
TITLE
ADDRESS
CITY STATE ZIP

Dear Tribal Chair and Health Director:

RE: Implementation of a Single Preferred Drug List (PDL)

This letter, in compliance with Section 1902(a)(73) and Section 2107(e)(1)(C) of the Social Security Act, serves as notice to all Tribal Chairs and Health Directors of the intent by the Michigan Department of Health and Human Services (MDHHS) to submit a State Plan Amendment (SPA) request to the Centers for Medicare & Medicaid Services (CMS).

The purpose of this SPA is to require the use of a single Medicaid PDL by both Medicaid Fee-for-Service (FFS) and Medicaid Health Plans (MHPs), which will be described as the Single PDL. This change will maximize drug manufacturer rebates, generating budgetary savings. The SPA positively impacts Tribal Health Centers by better aligning pharmacy coverage for beneficiaries they serve whether they are enrolled in an MHP or have Medicaid FFS coverage. The anticipated effective date of this SPA is October 1, 2020.

There is no public hearing scheduled for this SPA. Input regarding this SPA is highly encouraged, and comments regarding this notice of intent may be submitted to Lorna Elliott-Egan, MDHHS Liaison to the Michigan tribes. Lorna can be reached at 517-284-4034, or via email at Elliott-EganL@michigan.gov. **Please provide all input by June 15, 2020.**

In addition, MDHHS is offering to set up group or individual consultation meetings to discuss the SPA, according to the tribes' preference. Consultation meetings allow tribes the opportunity to address any concerns and voice any suggestions, revisions, or objections to be relayed to the author of the proposal. If you would like additional information or wish to schedule a consultation meeting, please contact Lorna Elliott-Egan at the telephone number or email address provided above.

MDHHS appreciates the continued opportunity to work collaboratively with you to care for the residents of our state.

Sincerely,

A handwritten signature in black ink, appearing to read 'K. Massey', with a long horizontal stroke extending to the right.

Kate Massey, Director
Medical Services Administration

CC: Tannisse Joyce, CMS
Keri Toback, CMS
Leslie Campbell, CMS
Nancy Grano, CMS
Chastity Dial, CEO, American Indian Health and Family Services of Southeastern Michigan
Daniel Frye, Director, Indian Health Service - Bemidji Area Office
Lorna Elliott-Egan, MDHHS

Distribution List for L 20-18
April 30, 2020

Mr. Bryan Newland, Tribal Chairman, Bay Mills Indian Community
Ms. Audrey Breakie, Health Director, Bay Mills (Ellen Marshall Memorial Center)
Mr. Thurlow Samuel McClellan, Chairman, Grand Traverse Band Ottawa & Chippewa Indians
Mr. Soumit Pendharkar, 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. Warren C. Swartz, Jr., President, Keweenaw Bay Indian Community
Ms. Kathy Mayo, Interim 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. Sadie Valliere, Health & Human Services Director, Lac Vieux Desert Band
Mr. Larry Romanelli, Ogema, Little River Band of Ottawa Indians
Mr. Daryl Wever, Health Director, Little River Band of Ottawa Indians
Ms. Regina Gasco-Bentley, Tribal Chairman, Little Traverse Bay Band of Odawa Indians
Ms. Jodi Werner, Health Director, Little Traverse Bay Band of Odawa
Mr. Bob Peters, Chairman, Match-E-Be-Nash-She-Wish Potawatomi Indians (Gun Lake Band)
Ms. Kelly Wesaw, Health Director, Match-E-Be-Nash-She-Wish Potawatomi
Mr. Jamie Stuck, Tribal Chairman, Nottawaseppi Huron Band of Potawatomi Indians
Ms. Rosalind Johnston, Health Director, Huron Potawatomi Inc.- Tribal Health Department
Mr. Matthew Wesaw, Tribal Chairman, Pokagon Band of Potawatomi Indians
Mr. Matt Clay, Health Director, Pokagon Potawatomi Health Services
Mr. Ronald Ekdahl, Tribal Chief, Saginaw Chippewa Indian Tribe
Mrs. Karmen Fox, Executive Health Director, Nimkee Memorial Wellness Center
Mr. Aaron Payment, Tribal Chairman, Sault Ste. Marie Tribe of Chippewa Indians
Mr. Leonid Chugunov, Health Director, Sault Ste. Marie Tribe of Chippewa Indians - Health Center

CC: Tannisse Joyce, CMS
Keri Toback, CMS
Leslie Campbell, CMS
Nancy Grano, CMS
Chastity Dial, CEO, American Indian Health and Family Services of Southeastern Michigan
Daniel Frye, Director, Indian Health Service - Bemidji Area Office
Lorna Elliott-Egan, MDHHS



6391295

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Order Confirmation

Ad Order Number 0009620687

Customer**MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES**

Account: 1000560354

MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES

PO BOX 30479

LANSING MI 48909 USA

(517)241-9444

FAX:

smithp2@michigan.gov

Payor Customer**MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES**

Account: 1000560354

MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES

PO BOX 30479

LANSING MI 48909 USA

(517)241-9444

PO Number

Sales Rep. Toni Ponzio

Order Taker Dylan Sonderman

Order Source

Special Pricing

Tear Sheets	0	TearsheetsCost	\$0.00	Net Amount	\$978.67
Proofs	0			Tax Amount	\$0.00
Affidavits	0	AffidavitsCost	\$0.00	Total Amount	\$978.67
Blind Box				Payment Method	Invoice
Promo Type				Payment Amount	\$0.00
Materials				Amount Due	\$978.67
Invoice Text					

Ad Schedule

Product	Grand Rapids Press	Placement/Class	Announcements
# Inserts	1	POS/Sub-Class	Public Notices
Cost	\$469.70	AdNumber	0009620687-01
Ad Type	MI CLS Liner	Ad Size	1 X 76 li
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External Ad #		Color	<NONE>
Production Method	AdBooker	Production Notes	
Run Dates	Sort Text	PUBLICNOTICEMICHIGANDEPARTMENTOFHEALTHANDHUMANSERVICESMEDICALSERVICESADMINISTRATIONSIN	
05/31/2020			

Product	Flint Journal	Placement/Class	Announcements
# Inserts	1	POS/Sub-Class	Public Notices
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Ad Type	MI CLS Liner	Ad Size	1 X 76 li
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External Ad #		Color	<NONE>
Production Method	AdBooker	Production Notes	
Run Dates	Sort Text	PUBLICNOTICEMICHIGANDEPARTMENTOFHEALTHANDHUMANSERVICESMEDICALSERVICESADMINISTRATIONSIN	
05/31/2020			

Product	Kalamazoo Gazette	Placement/Class	Announcements
# Inserts	1	POS/Sub-Class	Public Notices
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External Ad #		Color	<NONE>
Production Method	AdBooker	Production Notes	
Run Dates	Sort Text	PUBLICNOTICEMICHIGANDEPARTMENTOFHEALTHANDHUMANSERVICESMEDICALSERVICESADMINISTRATIONSIN	
05/31/2020			

Product Saginaw News

Inserts 1

Cost \$123.20

Ad Type MI CLS Liner

Pick Up #

External Ad #

Production Method AdBooker

Run Dates

05/31/2020

Sort Text PUBLICNOTICEMICHIGANDEPARTMENTOFHEALTHANDHUMANSERVICESMEDICALSERVICESADMINISTRATIONSIN

Placement/Class Announcements

POS/Sub-Class Public Notices

AdNumber 0009620687-04

Ad Size 1 X 76 li

Ad Attributes

Color <NONE>

Production Notes

Ad Content Proof

Public Notice

Michigan Department of
Health and Human Services
Medical Services
Administration

Single PDL State Plan
Amendment Request

The Michigan Department of Health and Human Services (MDHHS) plans to submit a State Plan Amendment (SPA) request to the Centers for Medicare & Medicaid Services (CMS) to establish a single Preferred Drug List (PDL) for Michigan Medicaid Pharmacy coverage. This will be described as the Single PDL and will identify preferred and non-preferred drug coverage for both the Fee-for-Service and Medicaid Health Plan pharmacy benefit coverage.

The anticipated effective date for the Single PDL SPA is October 1, 2020.

This change will allow MDHHS to ensure that prescription drug coverage under Medicaid MCOs is consistent with the amount, duration, and scope as described by Medicaid Fee-for-Service Medicaid Preferred Drug List, in accordance with sections 1902 and 1903 of the Social Security Act.

The estimated gross savings to the State of Michigan for the State Plan Amendment is \$201.2 million per year.

There is no public meeting scheduled regarding this notice. Any interested party wishing to request a written copy of the SPA or wishing to submit comments may do so by submitting a request in writing to: MDHHS/Medical Services Administration, Program Policy Division, PO Box 30479, Lansing MI 48909-7979 or e-mail MSADraftPolicy@michigan.gov by July 1, 2020. A copy of the proposed State Plan Amendment will also be available for review at http://michigan.gov/mdhhs/0,5885,7-339-73970_5080-108153--,00.html.

Ad Content Proof

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