

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

March 14, 2014

Mr. Anthony E. Keck
Director
South Carolina Department of Health and Human Services (SCDHHS)
Post Office Box 8206
Columbia, South Carolina 29202-8206

Attention: Sheila Chavis

RE: Title XIX State Plan Amendment, SC 13-009

Dear Mr. Keck:

This is to affirm approval of the above referenced State Plan Amendment which was submitted to the Regional Office on December 4, 2013. The State's requested effective date of October 1, 2013 has been accepted.

Enclosed for your records are:

1. a copy of the approval letter dated March 14, 2014 that was submitted to the State by Kim Howell, Acting Division of Pharmacy;
2. the original signed 179; and
3. the approved plan page.

If you have any additional questions regarding this amendment, please contact Maria Drake, State Coordinator for South Carolina, at 404-562-3697.

Sincerely,

A handwritten signature in cursive script that reads "Jackie Glaze".

Jackie Glaze
Associate Regional Administrator
Division of Medicaid & Children's Health Operations

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

1. TRANSMITTAL NUMBER:
13-009

2. STATE
South Carolina

FOR: HEALTH CARE FINANCING ADMINISTRATION

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE
SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND 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:
SSA Section 1927

7. FEDERAL BUDGET IMPACT:
a. FFY 2014 \$ 0
b. FFY 2015 \$ 0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 3.1-A Limitation Supplement page 5c

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION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

Attachment 3.1-A Limitation Supplement page 5c

10. SUBJECT OF AMENDMENT:

This State Plan Amendment will facilitate SC Medicaid's continued participation in the National Medicaid Pooling Initiative (NMPI) Supplemental Rebate program.

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:

Mr. Keck was designated by the Governor
to review and approve all State Plans

12. SIGNATURE OF STATE AGENCY OFFICIAL:



16. RETURN TO:

South Carolina Department of Health and Human Services
Post Office Box 8206
Columbia, SC 29202-8206

13. TYPED NAME:
Anthony E. Keck

14. TITLE:
Director

15. DATE SUBMITTED:
December 4, 2013

FOR REGIONAL OFFICE USE ONLY

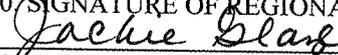
17. DATE RECEIVED:
12/04/13

18. DATE APPROVED: 03-14-14

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
10/01/13

20. SIGNATURE OF REGIONAL OFFICIAL:



21. TYPED NAME:
Jackie Glaze

22. TITLE: Associate Regional Administrator
Division of Medicaid & Children Health Opns

23. REMARKS:

- Prior authorization programs must provide for a 24 hour turnaround on prior authorization from receipt of request and at least 72 hour supply in emergency situations as in accordance with the provisions of section 1927(d)(5) of the Social Security Act.
- States must cover new drugs of participating manufacturers (except excludable/restrictable drugs) for 6 months after FDA approval and upon notification by the manufacturer of a new drug. The state may put the drug through its formulary but it cannot prior authorize the new drug and, consistent with the second item above, it must cover drug (again with the exception of excludable/restrictable drugs). The state plan must list the classes chosen for exclusion/restriction or if less than the full class, list the drugs within the class chosen for exclusion/restriction.
- The state may not reduce its limits on covered outpatient drugs or dispensing fees effective January 1, 1991, unless it was out of compliance with Federal requirements on November 5, 1990.
- State plan must have been submitted by March 31, 1991, to be effective January 1, 1991. However, because CMS invoked the extenuating circumstances clause in the law, drugs were payable in the first quarter without losing FFP, even if the plan was not submitted by March 31, 1991.

The state is in compliance with Section 1927 of the Social Security Act. Based on the requirements in 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 South Carolina to enter into the Michigan multi-state pooling agreement (MMSPA) also referred to as the National Medicaid Pooling Initiative (NMPI). The Amendment to the Supplemental Drug Rebate Agreement was submitted to the Center for Medicare and Medicaid Services (CMS) on October 1, 2013 and approved for existing agreements with the pharmaceutical manufacturers.

CMS authorized the Supplemental Drug-Rebate Agreement submitted to CMS on January 12, 2007 for renewal and new agreements with pharmaceutical manufacturers.
- (B) 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 rebate agreement.
- (C) All drugs covered by the program, irrespective of a prior authorization requirement, will comply with provisions of the national drug rebate agreement.
- (D) Any contracts or agreements with pharmaceutical manufacturers not approved by CMS will be submitted for CMS approval.

SC 13-009
EFFECTIVE DATE: 10/01/13
RO APPROVAL DATE: 03/14/14
SUPERSEDES: SC 06-011