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State/Territory Name: South Carolina

State Plan Amendment (SPA) #: 24-0001

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Approved SPA Page

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-14-26
Baltimore, Maryland 21244-1850



Center for Medicaid and CHIP Services

Medicaid Benefits and Health Programs Group

May 29, 2024

Robert M. Kerr
Director
South Carolina Department of Health and Human Services
Post Office Box 8206
Columbia, SC 29202-8206

re: South Carolina State Plan Amendment (SPA) 24-0001

Dear Director Kerr:

The CMS Division of Pharmacy team has reviewed South Carolina's SPA 24-0001, received in the CMS Division of Program Operations on March 22, 2024. This amendment will allow South Carolina to enter Value Based Agreements and Direct Manufacturer Supplemental Rebates.

Based on the information provided and consistent with the regulations at 42 CFR 447.20, we are pleased to inform you SC-24-0001 is approved with an effective date of January 1, 2024. We are attaching a copy of the signed CMS-179 form, as well as the page approved for incorporation into South Carolina's state plan.

If you have any questions regarding this state plan amendment, please contact Desiree Elekwa Izuakor at 667-290-9590 or desiree.elekwaizuakor@cms.hhs.gov.

Sincerely,

Cynthia R. Denemark, R.Ph.
Director, Division of Pharmacy

cc: Margaret Alewine, South Carolina Department of Health and Human Services
Shelia Chavis, South Carolina Department of Health and Human Services
Etta Hawkins, South Carolina State Lead, CMS

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER

2 4 — 0 0 0 1

2. STATE

S C

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL
SECURITY ACT

☒ XIX ☐ XXI

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

January 1, 2024

5. FEDERAL STATUTE/REGULATION CITATION

42 USC 1396r-8 and 42 CFR 440.120

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a FFY 2024 \$ 0
b FFY 2025 \$ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 3.1.A Limitation Supplement, page 5b

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION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

Attachment 3.1-A Limitation Supplement, page 5b

9. SUBJECT OF AMENDMENT

This SPA will allow South Carolina to enter Value Based Agreements and Direct Manufacturer Supplemental Rebate Agreements

10. 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. Kerr was designated by the SC Governor to review and approve all State Plans.

11. SIGNATURE OF STATE AGENCY OFFICIAL



15. RETURN TO

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

12. TYPED NAME

Robert M. Kerr

13. TITLE

Director

14. DATE SUBMITTED

March 15, 2024

FOR CMS USE ONLY

16. DATE RECEIVED

March 22, 2024

17. DATE APPROVED

May 29, 2024

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL

January 01, 2024

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL

Cynthia R. Denemark, R.Ph

21. TITLE OF APPROVING OFFICIAL

Director, Division of Pharmacy

22. REMARKS

- 12.a PHARMACY SERVICES. The pharmacy benefit provides certain medications to eligible Medicaid recipients, pursuant to, and in compliance with, Section 1927 of the Act.

Prescription/refill quantities are generally limited to a maximum thirty-one (31) day supply per fill. Exceptions to the 31-day supply include: (1) systemic contraceptives and (2) products for which packaging does not allow a 31-day dispensation.

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.
- (B) Any contracts or agreements with pharmaceutical manufacturers not currently approved by CMS will be submitted for CMS approval.
- (C) CMS has authorized the State of South Carolina to enter into a state supplemental rebate agreement between the state and a drug manufacturer for drugs provided to Medicaid recipients. This agreement was submitted to CMS on March 22, 2024, and entitled "State of South Carolina, South Carolina Medicaid Supplemental Rebate Agreement."
- (D) The state may enter into value-based contracts with manufacturers on a voluntary basis. The contracts will be executed on the model agreement entitled "State of South Carolina, Value-Based Supplemental Rebate Agreement" submitted to CMS on March 22, 2024, and authorized for use beginning January 1, 2024.