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State/Territory Name: South Carolina

State Plan Amendment (SPA)#: SC-25-0014

This file contains the following document in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form
- 3) Approved SPA Pages

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

March 10, 2026

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

re: South Carolina State Plan Amendment (SPA) 25-0014

Dear Director Medina:

The CMS Division of Pharmacy team has reviewed South Carolina's SPA 25-0014, received in the CMS Medicaid Services OneMAC application on December 18, 2025. This amendment will allow South Carolina to update the reimbursement methodology for drugs purchased through the HRSA 340B Program.

In keeping with the requirements of section 1902 (a)(30)(A) of the Social Security Act, we believe the state has demonstrated that their reimbursement is consistent with efficiency, economy, and quality of care, and are sufficient to ensure that care and services are available to Medicaid beneficiaries at least to the extent they are available to the general population in the geographic area. We believe that there is evidence regarding the sufficiency of South Carolina's pharmacy provider network at this time to approve SPA 25-0014. Specifically, South Carolina has reported to CMS that there are 950 active pharmacies in the state with 950 pharmacies enrolled in South Carolina's Medicaid program. With a 100 percent participation rate, we can infer that South Carolina's beneficiaries will have access to pharmacy services at least to the extent available to the general population since Medicaid requires that beneficiaries be provided access to all covered outpatient drugs of participating drug manufacturers with a rebate agreement through a broad pharmacy network. In contrast, commercial insurers often have more limited drug formularies and a more limited pharmacy network.

Based on the information provided and consistent with the regulations at 42 CFR 447.20, we are pleased to inform you SC-25-0014 is approved with an effective date of April 1, 2026. We are attaching a copy of the signed, revised CMS-179 form, as well as the pages 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,

Mickey Morgan
Deputy 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
Vanessa Jefferies, South Carolina State Lead, CMS


TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES	1. TRANSMITTAL NUMBER <u>2</u> <u>5</u> — <u>0</u> <u>0</u> <u>1</u> <u>4</u>	2. STATE <u>S</u> <u>C</u>
	3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT <input checked="" type="radio"/> XIX <input type="radio"/> XXI	
TO: CENTER DIRECTOR CENTERS FOR MEDICAID & CHIP SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE December 1, 2025 April 1, 2026	
5. FEDERAL STATUTE/REGULATION CITATION 42 CFR § 447.520; 42 U.S.C. § 256b	6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a FFY <u>2026</u> \$ (1,332,659) (799,595) b FFY <u>2027</u> \$ (1,593,440)	
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19-B, pages 3c, 4	8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Attachment 4.19-B, pages 3c, 4	

9. SUBJECT OF AMENDMENT

This SPA will establish a reimb. methodology for Physician-Administered Drugs purchased through the HRSA's 340B Program.

10. GOVERNOR'S REVIEW (Check One)

<input type="radio"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="radio"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="radio"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL	<input checked="" type="radio"/> OTHER, AS SPECIFIED: Ms. Medina was designated by the Governor to review and approve all State Plans.
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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 Eunice Medina	
13. TITLE Director	
14. DATE SUBMITTED December 18, 2025	

FOR CMS USE ONLY

16. DATE RECEIVED December 18, 2025	17. DATE APPROVED March 10, 2026
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PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL April 1, 2026	19. SIGNATURE OF APPROVING OFFICIAL
20. TYPED NAME OF APPROVING OFFICIAL Mickey Morgan	21. TITLE OF APPROVING OFFICIAL Deputy Director, Division of Pharmacy

22. REMARKS

02/19/2026: State authorized a pen and ink change to Block 4 of the 179 form to change the effective date from December 1, 2025 to April 1, 2026.

03/05/2026: State authorized a pen and ink change to Block 6a of the CMS 179 form to change the FFY 2026 amount from \$(1,332,659) to \$(799,595) to reflect the new effective date of April 1, 2026.

12.a. Prescribed Drugs:

Medicaid reimburses for covered outpatient drugs with stated exceptions described in the Medicaid State Plan.

A. Standard Basis for Payment:

Reimbursement for brand and multiple-source drugs shall be limited to the lowest of:

- (1) the actual acquisition cost (AAC) plus a professional dispensing fee (PDF) of \$10.50
- (2) the State's Maximum Allowable Cost (MAC) plus a PDF of \$10.50
- (3) the wholesale acquisition cost (WAC) plus a PDF of \$10.50
- (4) the usual and customary (U&C) charges to the general public

B. Specialty drugs shall be reimbursed pursuant to the Standard Basis for Payment, as stated above.

C. Drugs dispensed by IHS/Tribal facilities shall be reimbursed pursuant to the Standard Basis for Payment, as stated above.

D. Drugs acquired via the Federal Supply Schedule (FSS) shall be reimbursed at their Actual Acquisition Cost, plus a PDF of \$10.50.

E. Drugs acquired at Nominal Price (outside of 340B or FSS) shall be reimbursed at their Actual Acquisition Cost, plus a PDF of \$10.50.

F. Drugs not dispensed by a retail community pharmacy (e.g., institutional or long-term care pharmacy when not included as part of an inpatient stay) shall be reimbursed pursuant to the Standard Basis for Payment, as stated above.

G. Clotting factor is reimbursed pursuant to the Standard Basis for Payment, as stated in Section 12.a.A. above.

SC: 25-0014
EFFECTIVE DATE: 04/01/26
APPROVAL DATE: 03/10/26
SUPERSEDES: SC 22-0018

J. 340B Program

Pharmacy Benefit Prescription Drugs Purchased through 340B Program

For prescription drugs purchased through the 340B program and provided by a covered entity, payment shall be limited to the provider's net actual acquisition cost for purchasing the medication after any rebates received plus a professional dispensing fee of \$10.50.

Drugs acquired through the 340B drug pricing program and dispensed by 340B contract pharmacies are not covered.

For drugs purchased outside of the 340B program, reimbursement shall be determined using the Standard Basis for Payment.

Physician-Administered Drugs Purchased through 340B Program

For physician-administered drugs purchased through the 340B program and provided by a covered entity in an outpatient setting, payment shall be limited to the provider's net actual acquisition cost for purchasing the medication after any rebates received. Professional dispensing fee is not reimbursed for these drugs.

SC: 25-0014
EFFECTIVE DATE: 04/01/26
APPROVAL DATE: 03/10/26
SUPERSEDES: SC 20-0008