DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
150 S. Independence Mall West
Suite 216, The Public Ledger Building
Philadelphia, Pennsylvania 19106-3499

CENTERS FOR MEDICARE & MEDICAID SERVICES

Region III/Division of Medicaid and Children's Health Operations

SWIFT #052120154014

JUN 18 2015

RECEIVED
JUN 23 2015
COMMISSIONER BMS

Cynthia Beane, MSW, LCSW
Acting Commissioner
Bureau for Medical Services
350 Capitol Street, Room 251
Charleston, West Virginia 25301-3706

Dear Acting Commissioner Beane:

The Centers for Medicare & Medicaid Services (CMS) would like to inform you of the approval of West Virginia's State Plan Amendment (SPA) 15-002 entitled Revised Sovereign States Drug Consortium Pharmacy Supplement Rebate Agreement. The Pharmacy Team at CMS approved this SPA on June 3, 2015 and you were duly notified. This SPA revised West Virginia's existing Sovereign States Drug Consortium (SSDC) pharmacy supplemental Pool Agreement to include utilization data of Medicaid Managed Care Organization members for rebate collection. The State also requested to revise its current SSDC Addendum for Member States that requires each State to sign an Addendum for each other Member State with each manufacturer which is a significant administrative burden and unnecessary, as the other SSDC Member States have already done so.

The effective date of this amendment is January 1, 2015. Enclosed are the approved State Plan page and a copy of the signed Form CMS-179.

If you have any questions about this SPA, please contact Margaret Kosherzenko of my staff at 215-861-4288.

Sincerely,

Francis McCullough
Associate Regional Administrator

Enclosures

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

CENTERS FOR MEDICARE & MEDICAID SERVICES
CENTER FOR MEDICAID & CHIP SERVICES

Disabled & Elderly Health Programs Group

June 3, 2015

Cynthia Beane, MSW, LCSW
Acting Commissioner
Bureau for Medical Services
350 Capitol Street, Room 251
Charleston, West Virginia 25301-3706

Dear Acting Commissioner Beane:

We have reviewed West Virginia's State Plan Amendment (SPA) 15-002, received in the Philadelphia Regional Office on March 31, 2015. This amendment proposes to revise West Virginia's existing Sovereign States Drug Consortium (SSDC) pharmacy supplemental Pool Agreement to include utilization data of Medicaid Managed Care Organization members for rebate collection. The state also requests to revise its current SSDC Addendum for Member States that requires each state to sign an Addendum for each other member state with each manufacturer which is a significant administrative burden and unnecessary, as the other SSDC member states have already done so. Based on the information provided, we are pleased to inform you that the SSDC SRA with the revised SSDC Addendum for Member States is authorized, effective January 1, 2015.

A copy of the CMS-179 form, as well as the pages approved for incorporation into the state plan will be forwarded by the Philadelphia Regional Office. If you have any questions regarding this amendment, please contact Madlyn Kruh at (410) 786-3239.

Sincerely,

/ s /

John M. Coster, Ph.D., R.Ph.
Director
Division of Pharmacy

cc: Francis McCullough, ARA, Philadelphia Regional Office
Margaret Kosherzenko, Philadelphia Regional Office
Alva Page, Bureau for Medical Services, West Virginia

DEPARTMENT OF HEALTH AND HUMAN SERVICES
HEALTH CARE FINANCING ADMINISTRATION

FORM APPROVED
OMB NO. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER: 15-002
2. STATE: West Virginia
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
1-January-2015

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 USC 1396r-8

7. FEDERAL BUDGET IMPACT:
a. FFY 2015 $ <1,500,000>
b. FFY 2016 $ <3,000,000>

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
Supplement 2 to Attachment 3.1-A and 3.1-B Page 4a

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

10. SUBJECT OF AMENDMENT:
The West Virginia's revised SoverionState Drug Consortium Pharmacy Supplemental Rebate Agreement.

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:

12. SIGNATURE OF STATE AGENCY OFFICIAL:
Cindy Beane

13. TYPED NAME:
Cindy Beane, MW, LCSW

14. TITLE:
Acting Commissioner

15. DATE SUBMITTED:
3/31/15

16. RETURN TO:
Bureau for Medical Services
350 Capitol Street Room 251
Charleston West Virginia 25301

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED
MARCH 31, 2015

18. DATE APPROVED
JUN 03 2015

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
JANUARY 1, 2015

20. SIGNATURE OF REGIONAL OFFICIAL:
FRANCIS McCullough

21. TYPED NAME:
FRANCIS McCullough

22. TITLE
Associate Regional Administrator/DMCHO

23. REMARKS:

FORM HCFA-179 (07-92)

INSTRUCTIONS ON BACK

3.1 AMOUNT, DURATION AND SCOPE OF ASSISTANCE

C. Quantities and Duration

1. Covered outpatient drugs are reimbursed up to 34-day supply per prescription. The number of refills per prescription will be in accordance with state and federal law and regulations.

2. Certain drugs are limited by quantity, number of allowable refills of duration or use.

D. Drug Rebate Agreements

The State is in compliance with §1927 of the Social Security Act. The state will cover drugs of federal rebate participating manufactures. The state is in compliance with reporting requirements for utilization and restrictions to coverage. Pharmaceutical manufacturers can audit utilization data. The unit rebate amount is confidential and cannot be disclosed for purposes other than rebate invoicing and verification.

The state will be negotiating supplemental rebates in addition to the federal rebates provided for in Title XIX. Rebate agreements between the state and a pharmaceutical manufacturer will be separate from the federal rebates.

A rebate agreement between the state and a drug manufacturer for drugs provided to the Medicaid program, submitted to CMS on January 1, 2008 and entitled "West Virginia Medicaid Supplemental Drug Rebate Agreement" has been authorized by CMS.

CMS has authorized the state of West Virginia to enter into the Sovereign States Drug Consortium (SSDC) multi-state pool. This Supplemental Drug Rebate Agreement was submitted to CMS in September 30, 2008 and has been authorized by CMS effective August 1, 2008. A revised SSDC Supplemental Rebate Agreement was authorized by CMS, effective January 1, 2015, for any renewal and new agreements with pharmaceutical manufacturers for drugs provided to Medicaid recipients.

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.

All drugs covered by the program, irrespective of a prior authorization requirement, will comply with the provision of the national drug rebate agreement.

E. Preferred Drug List with Prior Authorization

1. Pursuant to 42 U.S.C.§1396r-8 and WV Code §9-5-15, the state is establishing a preferred drug list with prior authorization for drugs not included on the preferred drug list. Prior authorization will be provided with a 24-hour turn-around from receipt of request and a 72-hour supply of drugs in emergency circumstances.

2. Prior authorization will be established for certain drug classes, particular drugs or medically accepted indication for uses and doses.

3. The state will appoint a Pharmaceutical and Therapeutic Committee or utilize the drug utilization review committee in accordance with federal law.