



DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services

Region 10  
2201 Sixth Avenue, MS/RX-43  
Seattle, Washington 98121

October 7, 2009

Susan Dreyfus, Secretary  
Department of Social and Health Services  
Post Office Box 45010  
Olympia, Washington 98504-5010

RE: Washington State Plan Amendment 09-005

Dear Ms. Dreyfus:

The Centers for Medicare & Medicaid Services (CMS) Pharmacy Team recently approved Washington State Plan Amendment (SPA) 09-005.

Although the Pharmacy Team has already sent the State a copy of the approval for this SPA, the Seattle Regional office is following up with an additional copy for the reason that we were in receipt of the original, signed amendment request.

Therefore, enclosed you will find a copy of the official CMS form 179, amended page(s), and copy of the approval letter from the Pharmacy Team for your records.

If you have any questions concerning the Seattle Regional office role in the processing of this state plan amendment, please contact Jan Mertel at (206) 615-2317 or [Jan.Mertel@cms.hhs.gov](mailto:Jan.Mertel@cms.hhs.gov).

Sincerely,

*Barbara K. Richards*

Barbara K. Richards  
Associate Regional Administrator  
Division of Medicaid and Children's Health  
Operations

Enclosure

Cc: Douglas Porter, Assistant Secretary

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

1. TRANSMITTAL NUMBER:  
**09-005**

2. STATE  
Washington

**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  
~~Feb. 19, 2009~~ **April 7, 2009 (P+I)**

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:

7. FEDERAL BUDGET IMPACT:  
a. FFY 2009 ~~\$95,620~~ **\$74,238 (P+I)**  
b. FFY 2010 \$148,203

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Supplement A to Attachment 4.19-B, page 3

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  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

Supplement A to Attachment 4.19-B, page 3

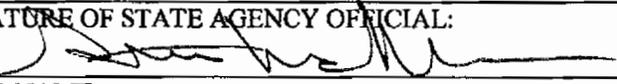
10. SUBJECT OF AMENDMENT:

Dispensing Fees for Pharmacies

11. GOVERNOR'S REVIEW (Check One):

- GOVERNOR'S OFFICE REPORTED NO COMMENT       OTHER, AS SPECIFIED: Exempt  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL:



13. TYPED NAME:  
Stan Marshburn

14. TITLE:  
Acting Secretary

15. DATE SUBMITTED:

**3-19-09**

16. RETURN TO:

Ann Myers  
Department of Social and Health Services  
Health and Recovery Services Administration  
626 8<sup>th</sup> Ave SE MS: 45504  
Olympia, WA 98504-5504

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED: **MAR 19 2009**

18. DATE APPROVED: **SEP 22 2009**

**PLAN APPROVED - ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL:

**APR 7 2009**

20. SIGNATURE OF REGIONAL OFFICIAL:

*Barbara K Richards*

21. TYPED NAME:

**Barbara K Richards**

22. TITLE: Associate Regional Administrator

Division of Medicaid &  
Children's Health

23. REMARKS:

*Permit changes authorized by the state on 9/18/09.*

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S2-26-12  
Baltimore, MD 21244-1850



**Center for Medicaid & State Operations**

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Disabled and Elderly Health Programs Group

Susan Dreyfus, Secretary  
Department of Social and Health Services  
P.O. Box 45010  
Olympia, WA 98504-5010  
Attn: Ann Myers

OCT 1 2009

RECEIVED  
OCT 05 2009  
DHHS / CMS / DMCH  
Region 10

Dear Ms. Dreyfus:

We have reviewed Washington State Plan Amendment (SPA) 09-005, received by the Centers for Medicare & Medicaid Services on March 19, 2009. This amendment increases dispensing fees for pharmacies from \$4.20 to \$4.24 for high-volume pharmacies, \$4.51 to \$4.56 for mid-volume pharmacies, \$5.20 to \$5.25 for low-volume pharmacies, and \$5.20 to \$5.25 for unit dose systems. We are pleased to inform you that the amendment is approved, effective April 7, 2009.

Per discussions with your staff and a subsequent email confirmation dated September 18, 2009, we made the requested changes to CMS-179, Blocks 4 and 7. A copy of the CMS-179 form, as well as the pages approved for incorporation into the Washington State plan will be forwarded by the Seattle Regional Office.

If you have any further questions regarding this approval, please contact David Moscovic at (410) 786-4693.

Sincerely,

Larry Reed  
Director  
Division of Pharmacy

cc: Barbara Richards, ARA, Seattle regional Office  
Maria Garza, Seattle Regional Office

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State WASHINGTON

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REIMBURSEMENT FOR PHARMACY SERVICES (Cont.)

IV. Dispensing Fees

A. A three-tier dispensing fee structure is used, with an adjusted fee allowed for pharmacies that participate in the Modified Unit Dose and/or True Unit Dose programs.

B. Listed below are the dispensing fee allowances for each drug ingredient in compounded and non-compounded prescriptions for pharmacies, effective for dates of service on and after 4/7/09:

- High-volume pharmacies (over 35,000 Rxs/yr)..... \$4.24/Rx
- Mid-volume pharmacies (15,001-35,000 Rxs/yr) ..... \$4.56/Rx
- Low volume pharmacies (15,000 Rxs/yr and under) ..... \$5.25/Rx
- Unit Dose Systems..... \$5.25/Rx

C. A provider's dispensing fee is determined by the volume of prescriptions the pharmacy fills for medical assistance clients and the general public, as indicated on the annual prescription count survey distributed to pharmacies.