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State/Territory Name: Oregon

State Plan Amendment (SPA)#: 22-0027

This file contains the following documents in the order listed

- 1) Approval Letter
- 2) CMS 179 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
Disabled and Elderly Health Programs Group

March 1, 2023

James Schroeder
Director, Oregon Health Authority
500 Summer Street Northeast, E-15
Salem, OR 97301-1079

Dear James Schroeder,

The CMS Division of Pharmacy team has reviewed Oregon's State Plan Amendment (SPA) 22-0027 received in the CMS Medicaid & CHIP Operations Group on December 6, 2022. This SPA has been submitted as related to the Inflation Reduction Act of 2022 temporary, 5-year increase for physician administered biosimilars drugs that will be paid Medicare's Average Sales Price (ASP) plus 8% (rather than plus 6%).

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 Oregon's pharmacy provider network at this time to approve SPA 22-0027. Specifically, Oregon has reported to CMS that 713 of the state's 734 licensed in-state retail pharmacies are enrolled in Oregon's Medicaid program. With a 97 percent participation rate, we can infer that Oregon'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 430.20, we are pleased to inform you that OR-22-0027 is approved with an effective date of November 5, 2022. We are attaching a copy of the signed, revised CMS-179 form, as well as the pages approved for incorporation into Oregon's state plan.

If you have any questions regarding this request, please contact Michael Forman at 410-786-2666 or michael.forman@cms.hhs.gov.

Sincerely,

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

cc: Dana Hittle, Oregon Health Authority
Jesse Anderson, Oregon Health Authority
Nikki Lemmon, CMS Division of Program Operations

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

1. TRANSMITTAL NUMBER

2 2 — 0 0 2 7

2. STATE

OR

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

11/5/22

5. FEDERAL STATUTE/REGULATION CITATION

1902(a)(30)(A), 1927 of the Act, 42 CFR 440.120, Section 11403 of the Inflation
Reduction Act of 2022

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2023 \$ 2,148 1969b. FFY 2024 \$ 2148

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-B, page 1 and 3-c

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION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

Attachment 4.19-B, page 1 and 3-c

9. SUBJECT OF AMENDMENT

This transmittal is being submitted related to Inflation Reduction Act of 2022 temporary, 5-year increase for ~~for~~ physician
administered biosimilars drugs that will be paid ~~t~~Medicare's Average Sales Price (ASP) plus 8% (rather than plus 6%).

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:

11. SIGNATURE OF STATE AGENCY OFFICIAL



12. TYPED NAME

Dana Hittle

13. TITLE

Interim Medicaid Director

14. DATE SUBMITTED

12/6/22

15. RETURN TO

Oregon Health Authority
Medical Assistance Programs
500 Summer Street NE E-65
Salem, OR 97301

ATTN: Jesse Anderson, State Plan Manager

FOR CMS USE ONLY

16. DATE RECEIVED

12/6/22

17. DATE APPROVED

3/1/23

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL

11/5/22

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL

Cynthia R. Denemark

21. TITLE OF APPROVING OFFICIAL

Acting Director, Division of Pharmacy

22. REMARKS

On 2/21/23, Pen and Ink changes made with the state's permission to:

- Box 5 to add the following citation (Section 11403 of the Inflation Reduction Act of 2022)
- Box 6 to update the Federal Budget Impact - FFY 2023 \$1,969 and FFY 2024 \$2,148
- Box 9 to perform minor grammar editing: a. Removed extra "T" before "This"; b. Removed repeated "for" before "physician"; and Removed "t" before "Medicare's".

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
State/Territory: OREGON
METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES

General:

The division pays the lesser of the usual and customary charge or a fee based on the methods outlined for the program according to Attachment 4.19-B. The provider's usual and customary fee is the fee charged by the provider to the general public for the particular service rendered.

Where applicable, the maximum allowable fees are established using the CMS Resource Based Relative Value (RBRVS) Scale methodology as published in the Federal Register annually, times an Oregon specific conversion factor. Except as otherwise noted in the plan, the agency's rates were set as of 1/1/22 and are effective for dates of services on or after that date. The reimbursement methods listed in this section of the plan are available on the agency's website

<http://www.oregon.gov/oha/HSD/OHP/Pages/Fee-Schedule.aspx>

State developed fee schedule rates are the same for both governmental and private providers.

Provider type/ Service type	Payment method
3. Laboratory and Radiology services	Clinical Laboratory and Pathology Procedures are paid at 70% of current Medicare fee updated annually as published by Medicare. Other lab and X-ray services are paid on a state-wide fee schedule which utilizes the RBRVS Scale, times the Oregon specific conversion factor.
5.a. Physician/Practitioner services, Physician Assistant, Physician/Practitioner Administered Drug 5.b. Medical and surgical services furnished by a dentist 6. a. Podiatrists' services 6. c. Chiropractors' services	Payment for services is a state-wide fee schedule which utilizes the RBRVS Scale, times the Oregon specific conversion factor. Physician/Practitioner Administered Drugs is based on 100% of the Medicare fee schedule. When no Medicare fee schedule is listed the rate shall be based upon the Wholesale Acquisition Cost (WAC). If no WAC is available, then the rate shall be reimbursed at Acquisition Cost. Anesthetists' payment for services is a state-wide fee schedule which utilizes the current American Society of Anesthesiology Relative Value base units plus time.
5.a. Physician/Practitioner services for neonatal and pediatric intensive care CPT codes 99468-99480	Payment for services is a state-wide fee schedule which utilizes the RBRVS Scale, times the Oregon specific conversion factor.
6. b. Optometrist services Ophthalmologist, optometrists.	Exam and dispensing: Payment for services is a state-wide fee schedule which utilizes the RBRVS Scale, times the Oregon specific conversion factor.
6. d. Other Practitioner Services; Naturopath, Acupuncturist, Certified Nurse Practitioner and Licensed Direct Entry Midwives	Payment for services is a state-wide fee schedule which utilizes the RBRVS Scale, times the Oregon specific conversion factor.

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: OREGON

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES

12. Prescribed Drugs (continued)

- I. Physician/Practitioner Administered Drugs: reimbursement is based on 100% of the Medicare fee schedule. When no Medicare fee is listed the rate shall be based upon the Wholesale Acquisition Cost (WAC). If no WAC is available, then the rate shall be reimbursed at Acquisition Cost. 340B covered entities that bill for Physician/Practitioner Administered Drugs and carve in for Medicaid, shall not exceed the entity's actual acquisition cost.
- J. Investigational Drugs – Investigational drugs are not a covered service under the Oregon Medical Assistance pharmacy program.
- K. Clotting Factor from Specialty Pharmacies, Hemophilia Treatment Centers: OHA contracts with a specialty provider of hemophilia treatment products subject to 1915(b)(4) waiver terms. Reimbursement for clotting factor payments outside of this contract is in accordance with section 12(A)(1) of this state plan.