

**STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
MED-QUEST DIVISION**

PUBLIC NOTICE

Pursuant to 42 C.F.R. §447.205, the Department of Human Services (DHS), Med-QUEST Division (MQD) hereby notifies the public that the MQD intends to submit a State Plan Amendment (SPA) to the Centers for Medicare and Medicaid Services (CMS).

Under Provisions of federal law, the state is required to issue public notice of proposed changes in statewide methods and standards for setting Medicaid payment rates.

Hawaii is seeking to include specific medications currently permitted under Emergency Use Authorization (EUA) such as (Paxlovid and Lagevrio) starting January 1, 2025. Hawaii met with CMS to obtain technical guidance during which it was advised to incorporate the term “Prescribed Drugs” along with the following language into the Outpatient Drugs services description in Attachment 3 and payment methodology in Attachment 4 of the Hawaii Medicaid State Plan:

Supplement to Attachment 3.1-A and 3.1-B pg. 3.2

Select prescribed drugs when medically necessary. Select prescribed drugs that are not covered outpatient drugs (including drugs authorized for import by the Food and Drug Administration) are also covered when medically necessary during drug shortages identified by the Food and Drug Administration.

Attachment 4.19-B pg. 7

J. Select prescribed drugs that do not meet the definition of covered outpatient drugs will be reimbursed at the same rate as covered outpatient drugs.

SPA 25-0003 is expected to have minimal effect on the annual aggregate expenditures.

The proposed changes will be submitted for review to the federal government as a Medicaid SPA.

A printed copy of the proposed changes and special accommodations (i.e., interpreter, large print or taped materials) can be arranged if requested by contacting the Policy and Program Development Office at (808) 692-8058 no later than seven (7) working days before the comment period ends.

Comments should be received **within 30 days** from the time this notice is posted. Individuals may submit written comments using the following methods:

By email: PPDO@dhs.hawaii.gov (Please identify in the subject line: State Plan Amendment 25-0003)

By mail:

Department of Human Services
Med-QUEST Division
Attention: Policy and Program Development Office
P.O Box 700190
Kapolei, Hawaii 96709

DEPARTMENT OF HUMAN SERVICES, MED-QUEST DIVISION
JUDY MOHR PETERSON, PhD
MED-QUEST DIVISION ADMINISTRATOR

The payment to an emergency room physician for the screening and assessment of a patient who receives who receives non-emergency care in the emergency room shall not exceed the payment for a problem focused history, examination, and straight forward medical decision making.

- r. The upper limits on payments for non-institutional items and services shall be established by the department in accordance with the section 346-59, Hawaii Revised Statute (HRS), and other applicable state statutes.
- s. Medicaid reimbursement for behavioral services provided by the Child and Adolescent Mental Health Division (CAMHD) under Department of Health (DOH) shall be reimbursed in accordance with the fee schedule described in Supplement 3 to Attachment 4.19-B.

If there are services provided by CAMHD that are not listed on the CAMHD Fee Schedule in Supplement 3 to Attachment 4.19-B, reimbursement rates are located on the Medicaid Fee Schedule at <https://medquest.hawaii.gov/en/plans-providers/fee-for-service/fee-schedules.html> in accordance to agreements between CAMHD and MQD.

3. PAYMENT FOR COVERED OUTPATIENT DRUGS, PRESCRIBED DRUGS AND PROFESSIONAL DISPENSING FEES.

- a. Payment for Covered Outpatient Drugs and Prescription Drugs:
 - 1. Payment for ingredient cost of prescription and covered outpatient drugs:
 - A. For single source drugs, reimbursement shall be the lowest of:
 - i. The submitted ingredient cost, plus a professional dispensing fee;
 - ii. The provider's usual and customary charge to the general public;
 - iii. The Wholesale Acquisition Cost (WAC), plus a professional dispensing fee; or
 - iv. The National Average Drug Acquisition Cost (NADAC), plus a professional dispensing fee.
 - B. For multiple source drugs, reimbursement shall be the lowest of:
 - i. The submitted ingredient cost, plus a professional dispensing fee;
 - ii. The provider's usual and customary charge to the general public;
 - iii. WAC, plus a professional dispensing fee;
 - iv. Federal Upper Limit (FUL) price, plus a professional dispensing fee;
 - v. The State Maximum Allowable Cost (SMAC), plus a professional dispensing fee; or
 - vi. The NADAC, plus a professional dispensing fee.
 - C. 340B-purchased drugs shall be reimbursed at the 340B submitted ingredient cost but no more than the 340B Ceiling Price, plus a professional dispensing fee.
 - i. Drugs acquired through the federal 340B drug pricing program and dispensed by 340B contract pharmacies are not covered unless the 340B contract pharmacy requests in writing and receives approval from the state to use these drugs for Medicaid beneficiaries.

TN No. 25-0003
 Supersedes 22-0003
 TN No. 22-0003

Approval Date: _____ Effective Date: 01/01/2025

- E. For physician administered drugs, reimbursement shall be the lowest of:
 - i. The submitted ingredient cost;
 - ii. The provider's usual and customary charge to the general public;
 - iii. WAC;
 - iv. FUL price;
 - v. SMAC; or
 - vi. The NADAC.

- F. For drugs not dispensed by a retail community pharmacy (Such as specialty drugs, primarily through the mail, or in a long-term care facility), reimbursement shall be the lowest of:
 - i. The submitted ingredient cost, plus a professional dispensing fee;
 - ii. The provider's usual and customary charge to the general public;
 - iii. WAC, plus a professional dispensing fee;
 - iv. FUL price, plus a professional dispensing fee;
 - v. SMAC, plus a professional dispensing fee; or
 - vi. The NADAC, plus a professional dispensing fee.

- G. Federal Supply Schedule (FSS) purchased drugs will be reimbursed at their actual acquisition cost, plus a professional dispensing fee.

- H. Drugs acquired at nominal price (outside of 340B or FSS) will be reimbursed at their actual acquisition cost, plus a professional dispensing fee.

- I. Experimental drugs and drugs not approved by the United States Food and Drug Administration are not covered.

- J. Select prescribed drugs that do not meet the definition of covered outpatient drugs will be reimbursed at the same rate as covered outpatient drugs.

TN No.	<u>25-0003</u> [19-0003]		
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TN No.	<u>19-0003</u> [11-008]	<u>7</u>	

12a. Effective January 1, 2006, the Medicaid agency will not cover any Part D drug for full-benefit dual eligible individuals who are entitled to receive Medicare benefits under Part A and Part B.

Prescribed drugs must be listed in the Hawaii Medicaid Drug Formulary. All other prescribed drugs require prior authorization.

Select prescribed drugs when medically necessary. Select prescribed drugs that are not covered outpatient drugs (including drugs authorized for import by the Food and Drug Administration) are also covered when medically necessary during drug shortages identified by the Food and Drug Administration.

- (1) Those drug products produced by manufacturers who have entered into and comply with an agreement under Section 1927(a) of the Act may be considered for payment by being listed in the Hawaii Medicaid Drug Formulary or may require prior authorization approval. Pursuant to 42 U.S.C. section 1396r-8(d)(5), certain medications may require prior authorization.

The Medicaid agency does not provide coverage for the following excluded or otherwise restricted drugs or classes of drugs or their medical uses, subject to restriction under 1927, to all Medicaid beneficiaries, including full benefit dual eligible beneficiaries under the Medicare Prescription Drug Benefit-Part D.

The following excluded drugs are not covered:

- a. Used for cosmetic purposes of hair growth;
- b. With associated tests or monitoring purchased exclusively from the manufacturer or designee as a condition of sale;
- c. Which classes as "less than effective" as described in Section 107(c)(3) of the Drug Amendments of 1962 or are identical, similar or related; and
- d. Agents used to promote fertility.

(2) The Medicaid agency provides coverage for the following excluded or otherwise restricted drugs or classes of drugs, or their medical uses to all Medicaid beneficiaries, including under the Medicare Prescription Drug Benefit- Part D.

The payment to an emergency room physician for the screening and assessment of a patient who receives who receives non-emergency care in the emergency room shall not exceed the payment for a problem focused history, examination, and straight forward medical decision making.

- r. The upper limits on payments for non-institutional items and services shall be established by the department in accordance with the section 346-59, Hawaii Revised Statute (HRS), and other applicable state statutes.
- s. Medicaid reimbursement for behavioral services provided by the Child and Adolescent Mental Health Division (CAMHD) under Department of Health (DOH) shall be reimbursed in accordance with the fee schedule described in Supplement 3 to Attachment 4.19-B.

If there are services provided by CAMHD that are not listed on the CAMHD Fee Schedule in Supplement 3 to Attachment 4.19-B, reimbursement rates are located on the Medicaid Fee Schedule at <https://medquest.hawaii.gov/en/plans-providers/fee-for-service/fee-schedules.html> in accordance to agreements between CAMHD and MQD.

3. PAYMENT FOR COVERED OUTPATIENT DRUGS, PRESCRIBED DRUGS AND PROFESSIONAL DISPENSING FEES.

a. Payment for C[~~e~~]covered O[~~u~~]tpatient D[~~e~~]rugs and Prescription Drugs:

1. Payment for ingredient cost of prescription and covered outpatient drugs:

A. For single source drugs, reimbursement shall be the lowest of:

- i. The submitted ingredient cost, plus a professional dispensing fee;
- ii. The provider's usual and customary charge to the general public;
- iii. The Wholesale Acquisition Cost (WAC), plus a professional dispensing fee; or
- iv. The National Average Drug Acquisition Cost (NADAC), plus a professional dispensing fee.

B. For multiple source drugs, reimbursement shall be the lowest of:

- i. The submitted ingredient cost, plus a professional dispensing fee;
- ii. The provider's usual and customary charge to the general public;
- iii. WAC, plus a professional dispensing fee;
- iv. Federal Upper Limit (FUL) price, plus a professional dispensing fee;
- v. The State Maximum Allowable Cost (SMAC), plus a professional dispensing fee; or
- vi. The NADAC, plus a professional dispensing fee.

C. 340B-purchased drugs shall be reimbursed at the 340B submitted ingredient cost but no more than the 340B Ceiling Price, plus a professional dispensing fee.

- i. Drugs acquired through the federal 340B drug pricing program and dispensed by 340B contract pharmacies are not covered unless the 340B contract pharmacy requests in writing and receives approval from the state to use these drugs for Medicaid beneficiaries.

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[~~05/01/2022~~]

TN No. 22-0003
[~~19-~~
~~0003~~]

12a. Effective January 1, 2006, the Medicaid agency will not cover any Part D drug for full-benefit dual eligible individuals who are entitled to receive Medicare benefits under Part A and Part B.

Prescribed drugs must be listed in the Hawaii Medicaid Drug Formulary. All other prescribed drugs require prior authorization.

Select prescribed drugs when medically necessary. Select prescribed drugs that are not covered outpatient drugs (including drugs authorized for import by the Food and Drug Administration) are also covered when medically necessary during drug shortages identified by the Food and Drug Administration.

(1) Those drug products produced by manufacturers who have entered into and comply with an agreement under Section 1927(a) of the Act may be considered for payment by being listed in the Hawaii Medicaid Drug Formulary or may require prior authorization approval. Pursuant to 42 U.S.C. section 1396r-8(d)(5), certain medications may require prior authorization.

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The following excluded drugs are not covered:

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- d. Agents used to promote fertility.

(2) The Medicaid agency provides coverage for the following excluded or otherwise restricted drugs or classes of drugs, or their medical uses to all Medicaid ~~[recipients]~~ beneficiaries, including under the Medicare Prescription Drug Benefit- Part D.

TN No.	<u>25-0003</u> [05-006]			
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