



May 13, 2020

**RE: COVID-19 Preparedness – Alaska Medicaid Pharmacy Update 5/13/2020**

Dear Providers,

The Department submitted a Disaster Relief State Plan Amendment (DR SPA) to the Centers for Medicare and Medicaid Services (CMS) on 4/17/2020 under the authority of Section 1135 of the Social Security Act (SSA) & Title 19 of the Act (P&I). As a state-federal partnership, Medicaid programs use the State Plan to outline mutually agreed upon operations and policies, consistent with the SSA, in the provision of the program. Any temporary policies necessary to be responsive to a disaster declaration which is inconsistent with the existing State Plan require approval through a prescribed process, the Disaster Relief SPA.

The **Disaster Relief SPA** approved by CMS on **5/07/2020** allows implementation of temporary policies, which are different from the policies and procedures included in the standard Medicaid State Plan. The authorities granted under the Disaster Relief SPA are valid only during the period of the Presidential and Secretarial emergency declarations related to the COVID-19 outbreak.

**The following pharmacy-related temporary policies were requested by the Department and approved by CMS. Emergency regulations and system changes to allow for the implementation of these provisions are in progress. System deployments will be noticed along with effective dates when the Emergency Regulations are signed.**

#### Section C – Premiums and Cost Sharing

- No cost-sharing for testing services (including in vitro diagnostic products, and including test administration), testing-related services, and treatments for COVID-19, including vaccines, pharmaceuticals, specialized equipment, and therapies.

#### Section D – Benefits

##### *Benefits:*

- Temporarily expand state plan provisions regarding pharmacists under the OLP [Other Licensed Providers] benefit at Attached Sheet to Attachment 3.1-A, page 2, item 6 (d.3) to allow service provision and reimbursement of services provided by qualified and enrolled State Licensed Pharmacists practicing within their authorized scope practice, statewide standing orders authorized by the Alaska Chief Medical Officer, and the HHS Office of the Assistant Secretary for Health guidance memo dated April 8, 2020.

##### *Drug Benefit:*

- Temporarily revise state plan provision at Attached Sheet to Attachment 3.1-A, page 4 (3.b) to read: Claims for medications with days' supply up to 68 days shall be permitted unless medication is on the 90-day list, then 90-days will be permitted.
- Temporarily revise state plan provisions at Attached Sheet to Attachment 3.1-A, page 3b, (4) to waive the requirement for the return of unused unit dose medications dispensed to a LTC facility due to infection control considerations.

*Drug Benefit (cont'd):*

- Temporarily revise state plan provisions at Attachment 4.19-B, page 8 (K&L) to allow for a professional dispensing fee to be reimbursed no more than every 14-days per individual at **\$15.86 for pharmacies located on the road system** and **\$23.78 for pharmacies not located on the road system**. Shipping will be reimbursed regardless of the location of the pharmacy or beneficiary.
- Covered outpatient drugs dispensed by a retail-based pharmacy (non-physician administered drugs), when a medication's acquisition cost exceeds the standard "lesser of" payment methodology logic, providers may petition for reimbursement at Wholesale Acquisition Cost (WAC) + 1% on a claim-level basis through the point-of-sale and bypass the Federal Upper Limit (FUL) and National Average Drug Acquisition Cost (NADAC).
- The agency makes exceptions to their published Preferred Drug List if drug shortages occur. This would include options for covering a brand name drug product that is a multi-source drug if a generic drug option is not available.

The Department may fully implement or partially implement the approved waivers based on business needs and COVID-19 emergency status. Specific billing guidance will be made available to pharmacy providers on how to successfully submit claims; claims processing shall coincide with emergency regulatory authority.

As always, we thank you for serving our members especially during this time.

Erin Narus, PharmD, RPh  
*Pharmacy Services Manager*  
*Health Care Services, Alaska Medicaid*  
[erin.narus@alaska.gov](mailto:erin.narus@alaska.gov)  
907.334.2425