

**DEPARTMENT OF HEALTH & HUMAN SERVICES**

Centers for Medicare & Medicaid Services  
601 E. 12th St., Room 355  
Kansas City, Missouri 64106



Medicaid and CHIP Operations Group

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February 14, 2024

Emily Zalkovsky  
State Medicaid Director  
Texas Health and Human Services Commission  
Mail Code: HI00  
P.O. Box 13247  
Austin, TX 78711-3247

Re: Texas State Plan Amendment (SPA) 22-0007

Dear Director Zalkovsky:

The Centers for Medicare & Medicaid Services (CMS) reviewed your Medicaid State Plan Amendment (SPA) submitted under transmittal number (TN) 22-0007. This amendment proposes to allow certain non-drug products to be added to the pharmacy formulary.

We conducted our review of your submittal according to statutory requirements in Title XIX of the Social Security Act and implementing regulations 42 CFR 447 Subpart I, 42 CFR §440.70. This letter is to inform you that Texas's Medicaid SPA 22-0007 was approved on February 14, 2024, with an effective date of October 1, 2022.

If you have any questions, please contact Tobias Griffin at 214-767-4425 or via email at [Tobias.Griffin@cms.hhs.gov](mailto:Tobias.Griffin@cms.hhs.gov).

Sincerely,



James G. Scott, Director  
Division of Program Operations

cc: Kathi Montalbano, Texas State Plan and Waiver Manager  
Ford Blunt, MCOG West Branch Acting Manager

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

1. TRANSMITTAL NUMBER  
**22**      **0007**

2. STATE  
**T**   **X**

3. PROGRAM IDENTIFICATION: TITLE \_\_\_ OF THE SOCIAL SECURITY ACT   **Medicaid**

TO: CENTER DIRECTOR  
CENTERS FOR MEDICAID & CHIP SERVICES  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE  
**10/01/2022**

5. FEDERAL STATUTE/REGULATION CITATION  
**42 CFR 447 Subpart I, 42 CFR §440.70**

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)  
a. FFY 2023      \$ 0  
b. FFY 2024      \$ 0  
There is no federal budget impact since there would be no utilization shift as a result of these new flexibilities.

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT  
**SEE ATTACHMENTS TO BLOCKS 7 & 8**

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)  
**SEE ATTACHMENTS TO BLOCKS 7 & 8**

9. SUBJECT OF AMENDMENT

The purpose of this amendment is to allow certain non-drug products to be added to the pharmacy formulary. If the item is available in Texas Medicaid as a medical benefit, pharmacies will be reimbursed the same rates other providers are paid as listed in the Texas Medicaid fee schedule for medical benefits.

Some non-drug products are only available through the pharmacy benefit with a prescription. This means the non-drug product will never be assigned a HCPCS code and will not have a reimbursement rate listed in the fee schedule for medical benefits. The amendment would apply the existing pharmacy reimbursement methodology listed in the Texas State Plan to non-drug product covered under the pharmacy benefit when there is no corresponding rate under the medical benefit. This allows Texas to consider coverage of these non-drug products, improving access to care.

Pharmacy providers must meet all state and federal requirements to dispense non-drug products as applicable.

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: Sent to Governor's Office this date. Comments, if any, will be forwarded upon receipt.

11. SIGNATURE OF STATE AGENCY OFFICIAL

[Redacted Signature]

15. RETURN TO

**Stephanie Stephens  
State Medicaid Director  
Post Office Box 13247, MC: H-100  
Austin, Texas 78711**

12. TYPED NAME

**Stephanie Stephens**

13. TITLE

**State Medicaid Director**

14. DATE SUBMITTED

November 14, 2023

**FOR CMS USE ONLY**

16. DATE RECEIVED

November 14, 2023

17. DATE APPROVED

February 14, 2024

**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL

October 1, 2022

19. SIGNATURE OF APPROVING OFFICIAL

[Redacted Signature]

20. TYPED NAME OF APPROVING OFFICIAL

James G. Scott

21. TITLE OF APPROVING OFFICIAL

Director, Division of Program Operations

22. REMARKS

**Attachment to Blocks 7 & 8 of CMS Form 179**

**Transmittal Number 22-0007**

**Number of the  
Plan Section or Attachment**

Appendix 1 to Attachment 3.1-A  
Page 15b  
Appendix 1 to Attachment 3.1-B  
Page 15b

**Number of the Superseded  
Plan Section or Attachment**

Appendix 1 to Attachment 3.1-A  
Page 15b (TN 10-51)  
Appendix 1 to Attachment 3.1-B  
Page 15b (TN 10-51)

## 7. Home Health Care Services (continued)

### Home Health Supplies Provided by a Pharmacy

- (a) Certain home health supplies that may be provided by a participating pharmacy are specified by the Title XIX single state agency and require a physician's prescription. Those supplies do not require prior authorization unless otherwise specified.
- (b) HHSC lists home health supplies that may be provided by a participating pharmacy on its website. This list includes the insulin syringes and needles referenced on Page 14 of this Appendix.
- (c) Participating pharmacies are licensed pharmacies enrolled as a Title XIX provider with the Vendor Drug Program.

### Non-drug products Provided by a Pharmacy

- (a) Certain non-drug products that may be provided by a participating pharmacy are specified by the Title XIX single state agency and require a physician's prescription. Those non-drug products do not require prior authorization unless otherwise specified.
- (b) HHSC lists non-drug products that may be provided by a participating pharmacy on its website.
- (c) Participating pharmacies are licensed pharmacies enrolled as a Title XIX provider and DME providers as applicable.
- (d) Non-drug products will be reimbursed as described in Attachment 4.19-B page 2c.1 (c)(2)(C). For non-drug products, replace "ingredient cost" with "the cost of the non-drug product."

## 7. Home Health Care Services (continued)

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