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State/Territory Name: New York

State Plan Amendment (SPA)#: NY-25-0064

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

Medicaid Benefits and Health Programs Group

March 26, 2026

Amir Bassiri
Medicaid Director
Deputy Commissioner of the Office of Health Insurance Programs
New York State Department of Health
One Commerce Plaza
99 Washington Avenue, Suite 1715
Albany, NY 12211

Re: New York State Plan Amendment (SPA) 25-0064

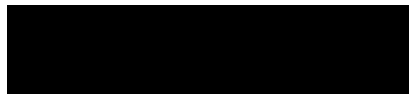
Dear Director Bassiri:

The CMS Division of Pharmacy team has reviewed New York's SPA 25-0064, received in the CMS Medicaid Services OneMAC application on December 30, 2025. This amendment proposes to carve out select drugs provided in a hospital setting and reimburse them in accordance with the state's Prescribed Drug reimbursement methodologies.

Based on the information provided and consistent with the regulations at 42 CFR 447.20, we are pleased to inform you NY-25-0064 is approved with an effective date of October 1, 2025. We are attaching a copy of the signed CMS-179 form, as well as the pages approved for incorporation into New York's state plan.

If you have any questions regarding this state plan amendment, please contact Lisa Shochet at 410-786-5445 or lisa.shochet@cms.hhs.gov.

Sincerely,



Mickey Morgan
Deputy Director
Division of Pharmacy

cc: Regina Deyette, New York State Department of Health
Melvina Harrison, New York State Lead, CMS

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

1. TRANSMITTAL NUMBER <u>2 5</u> — <u>0 0</u> <u>6 4</u>	2. STATE <u>NY</u>
3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT <input checked="" type="radio"/> XIX <input type="radio"/> XXI	

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

4. PROPOSED EFFECTIVE DATE
October 1, 2025

5. FEDERAL STATUTE/REGULATION CITATION
§ 1905(a)(12) Prescribed Drugs, Dentures, and Prosthetic Devices; a

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 10/01/25-09/30/26 \$ 0
b. FFY 10/01/26-09/30/27 \$ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Attachment 4.19-B Pages: 4(d)(1), 4(d)(2)

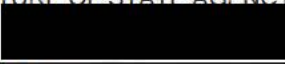
8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)
Attachment 4.19-B Pages: 4(d)(1), 4(d)(2)

9. SUBJECT OF AMENDMENT
Drug Reimbursement

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
Amir Bassiri

13. TITLE
Medicaid Director


14. DATE SUBMITTED
December 30, 2025

15. RETURN TO
New York State Department of Health
Division of Finance and Rate Setting
99 Washington Ave – One Commerce Plaza
Suite 1432
Albany, NY 12210

FOR CMS USE ONLY

16. DATE RECEIVED December 30, 2025	17. DATE APPROVED March 26, 2026
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PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL October 1, 2025	19. SIGNATURE OF APPROVING OFFICIAL 
20. TYPED NAME OF APPROVING OFFICIAL Mickey Morgan	21. TITLE OF APPROVING OFFICIAL Deputy Director, Division of Pharmacy

22. REMARKS

**New York
4(d)(1)**

1905(a)(12) Prescribed Drugs, Dentures, and Prosthetic Devices; and Eyeglasses

5. Effective October 1, 2025, select drugs provided in a hospital setting are carved out and reimbursed separately from the inpatient payment. Carved-out drugs will be reimbursed as applicable in accordance with Attachment 4.19-B, Prescribed Drug Section. The list of carved out drugs is maintained on the NYS Department of Health website located at: <https://www.health.ny.gov/facilities/hospital/reimbursement/apr-drg/>.
 - a. Providers may not use 340B inventory for drugs on the carved-out list.

6. Payment for drugs dispensed by the pharmacy of a 340B covered entity as described in section 1927(a)(5)(B) of the Act, or a contract pharmacy under contract with a 340B covered entity as described in section 1927(a)(5)(B) of the Act, will be as follows:
 - a. 340B purchased drugs – actual acquisition cost not to exceed the 340B ceiling price, plus the professional dispensing fee in Section 2;
 - b. Non-340B purchased drugs – in accordance with lower of logic in section 1, plus the professional dispensing fee in Section 2.

7. Payment for clotting factor dispensed by a pharmacy enrolled in the NYS Medicaid FFS Program is at the lower of: SMAC, as described below, not to exceed WAC, plus the professional dispensing fee in Section 2; or the billing pharmacy's usual and customary price charged to the general public.

SMAC is established for clotting factor products using multiple clotting factor pricing resources including but not limited to wholesalers, drug file vendors such as First Data Bank, pharmaceutical manufacturers, and the Hemophilia Services Consortium, Inc. pricing. The Hemophilia Services Consortium, Inc. subcontracts with the New York Blood Center (both not-for-profit corporations) to negotiate with manufacturers and distributors to obtain the best volume discount for the Consortium's safety net hospital.

The SMAC file is stored in a database where valid statistical calculations are used to evaluate and compare the various pricing benchmarks to develop the SMAC price. The SMAC file is updated monthly and applied to all clotting factor products.

Payment for 340B-purchased clotting factor dispensed by a Hemophilia Treatment Center, whether the pharmacy is owned by the covered entity or has a contract pharmacy arrangement, will be in accordance with Section 6.a.

TN #25-0064

Approval Date March 26, 2026

Supersedes TN #24-0074

Effective Date October 1, 2025

**New York
4(d)(2)**

1905(a)(12) Prescribed Drugs, Dentures, and Prosthetic Devices; and Eyeglasses

8. Practitioner administered or provided drugs billed separately under the medical benefit are reimbursed as follows:

- a. When administered or provided during an office visit, facility setting, or ordered ambulatory setting, drugs will be reimbursed at the lower of:
- i. National Average Drug Acquisition Cost (NADAC) or, in the event of no NADAC pricing available, Wholesale Acquisition Cost (WAC); or
 - ii. the Federal Upper Limit (FUL); or
 - iii. the State Maximum Acquisition Cost (SMAC); or
 - iv. the actual cost of the drug to the practitioner.

No professional dispensing fee is paid.

Drugs purchased by covered entities at the prices authorized under Section 340B of the Public Health Services Act must be billed at their actual acquisition cost.

Providers may not use 340B inventory for drugs on the carve-out list. The list of carve-out drugs is maintained on the NYS Department of Health website located at:

<https://www.health.ny.gov/facilities/hospital/reimbursement/apr-drg/> and reimbursed as described in this section.

- b. When administered in an outpatient setting to a patient of a disproportionate share hospital, clinic, or emergency department, payment may be made through either the Ambulatory Patient Group (APG) classification and reimbursement system, as referenced in this Attachment, or, if carved out of the APG system, in accordance with Section 8.a.

Reimbursement for drugs in the APG reimbursement are paid as follows:

1. Practitioner-administered drugs assigned to an APG and paid through the APG drug band are reimbursed based on the weighted average, using Medicaid paid claims data. Payment for drugs purchased by covered entities at the prices authorized under Section 340B of the Public Health Services Act and paid through the APG drug band are paid at 75% of the drug's APG band payment amount.
2. Practitioner-administered drugs assigned to an APG and paid through the APG Fee Schedule are paid in accordance with Section 8.a.

No professional dispensing fee is paid.

- c. Federally Qualified Health Centers (FQHC) and Indian Health Services/Tribal/Urban Indian Clinic Facilities have the option of receiving their payment through the Federal Prospective (PPS) rate, or through the APG reimbursement methodology as an "alternative rate setting methodology". In the event the facility chooses to be reimbursed through the Federal PPS Rate, the rate is considered inclusive of any practitioner administered drugs. In the event the facility has opted for the APG reimbursement methodology, payment for drugs administered by a practitioner during a visit to the facility will be in accordance with Section 8.b. If a facility's Medicaid reimbursement under APGs is lower than what their payment would have been under the Federal PPS rate, the facility is entitled to receive a supplemental payment reflecting the difference between what they were paid under APGs and what they would have been paid using the PPS rate. No professional dispensing fee is paid.

9. Reimbursement for Investigational Drugs is not a covered service. The Department may consider Medicaid coverage on a case by case basis for life-threatening medical illnesses when no other treatment options are available. If/when approved by a Medical Director, reimbursement is at actual acquisition cost. When dispensed by a pharmacy enrolled in the NYS Medicaid FFS Program, reimbursement includes the professional dispensing fee in Section 2.

TN #25-0064 **Approval Date** March 26, 2026

Supersedes TN #24-0074 **Effective Date** October 1, 2025