April 15, 2014

Monica Coury
Assistant Director
Arizona Health Care Cost Containment System
801 E. Jefferson Street,
MD#4200
Phoenix, AZ, 85034

Dear Ms. Coury,

We have reviewed Arizona’s State Plan Amendment (SPA) 14-007 received in the San Francisco regional office on March 17, 2014. This amendment proposed a removal of the optional coverage of benzodiazepines, barbiturates and smoking cessation medications from the excludable drug category. This change would make these drug categories covered for Arizona’s Medicaid beneficiaries.

We are pleased to inform you that the amendment is approved with an effective date of January 1, 2014. A copy of the CMS-179 form, as well as the page(s) approved for incorporation into the Arizona state plan, will be forwarded by the San Francisco regional office. If you have any questions regarding this amendment, please contact Emeka Egwim at (410) 786-1092.

Sincerely,

/s/

Kim Howell
Acting Director
Division of Pharmacy

cc: Gloria Nagle, ARA, San Francisco Regional Office
Tyler Sadwith, San Francisco Regional Office
TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL

FOR: Centers for Medicare and Medicaid Services

TO: REGIONAL ADMINISTRATOR
CENRERS FOR MEDICARE AND MEDICAID SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN  ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN  ☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:
Section 1927(d)(2) and 1927(d)(7) of the Social Security Act

7. FEDERAL BUDGET IMPACT:
N/A

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
Attachment 3.1A, pg. 12
Attachment 3.1A, pg. 13

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):
Same

10. SUBJECT OF AMENDMENT:
Updates the State Plan to remove barbiturates, benzodiazepines and agents used to promote tobacco cessation

11. 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

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:
Monica Coury

14. TITLE:
Assistant Director

15. DATE SUBMITTED:
3-17-14

16. RETURN TO:
Monica Coury
801 E. Jefferson, MD#4200
Phoenix, Arizona 85034

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:
March 17, 2014

18. DATE APPROVED:
April 15, 2014

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
January 1, 2014

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:
Gloria Nagle, Ph.D, MPA

22. TITLE: Associate Regional Administrator

23. REMARKS:
STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State Agency: ARIZONA

MEDICAID PROGRAM: REQUIREMENTS RELATING TO PAYMENT FOR COVERED OUTPATIENT DRUGS FOR THE CATEGORICALLY NEED

<table>
<thead>
<tr>
<th>Citation(s)</th>
<th>Provision(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1927(d)(2) and 1935(d)(2)</td>
<td>1. 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, including full benefit dual eligible beneficiaries under the Medicare Prescription Drug Benefit - Part D. The following excluded drugs are covered:</td>
</tr>
<tr>
<td>✔️ (a) agents when used for anorexia, weight loss, weight gain (see specific drug categories below)</td>
<td></td>
</tr>
<tr>
<td>✔️ (b) agents when used to promote fertility (see specific drug categories below)</td>
<td></td>
</tr>
<tr>
<td>✔️ (c) agents when used for cosmetic purposes or hair growth (see specific drug categories below)</td>
<td></td>
</tr>
<tr>
<td>✔️ (d) agents when used for symptomatic relief of cough and colds (see specific drug categories below)</td>
<td></td>
</tr>
<tr>
<td>✔️ (e) prescription vitamins and mineral products, except prenatal vitamins and fluoride (see specific drug categories below)</td>
<td></td>
</tr>
<tr>
<td>✔️ (f) nonprescription drugs (see specific drug categories below)</td>
<td></td>
</tr>
</tbody>
</table>

TN No. 14-007
Supercedes TN No. 05-003

Approval Date: April 15, 2014  Effective Date: January 1, 2014
STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State Agency  ARIZONA

MEDICAID PROGRAM: REQUIREMENTS RELATING TO PAYMENT FOR COVERED OUTPATIENT DRUGS FOR THE CATEGORICALLY NEED

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<td>1927(d)(2) and 1935(d)(2)</td>
<td>(g) covered outpatient drugs which the manufacturer seeks to require as a condition of sale that associated tests or monitoring services be purchased exclusively from the manufacturer or its designee (see specific drug categories below)</td>
</tr>
</tbody>
</table>

(The Medicaid agency lists specific category of drugs below)

Medicaid continues to cover non-prescription medications in accordance with AHCCCS medical policy: an over-the-counter medication in place of a covered prescription medication, that is clinically appropriate, equally safe and effective, and less costly than the covered prescription medication.

☐ No excluded drugs are covered

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TN No. 14-007
Supercedes TN No. 05-003

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