



**NORTON SOUND  
HEALTH CORPORATION**

*Providing quality health services and promoting  
wellness within our people and environment.*

May 17, 2023

Emily Beaulieu  
Medicaid State Plan Coordinator  
Alaska Department of Health  
3601 C Street, Suite 902  
Anchorage, AK 99503

RE: Pharmacy Dispensing Fee Extension SPA

Dear Ms. Beaulieu,

Norton Sound Health Corporation writes to provide comment on the proposed temporary Medicaid state plan amendment (SPA) to extend the temporary COVID-19 Public Health Emergency enhanced pharmacy dispensing fee rates. We support the continuation of the pandemic-era enhanced pharmacy dispensing fee rate while we continue to discuss the 2019 Cost of Dispensing Fee Survey and the adoption of a new rate based on that data.

Norton Sound Health Corporation (NSHC) is a tribally owned and operated, independent, not-for profit healthcare organization, founded in 1970 to meet the health care needs of the Inupiat, Siberian Yup'ik and Yu'pik people of the Bering Strait region. NSHC is governed by a 22-member board of directors that represents all communities and areas of the Bering Strait region, a 44,000 square-mile section of northwestern Alaska.

The Alaska Tribal Health System (ATHS) continues to emphasize the incredible impact of inflation and staffing costs on pharmacy providers, and how this is impacting the cost for providers to continue to provide services. By not implementing a permanent rate based on the 2019 Cost of Dispensing Fee Survey data, the ATHS has sustained negative financial impacts that ongoing delays exacerbate. These impacts equate to millions of dollars annually which negatively impacts our ability to render the quality, quantity, and timeliness of care that we would hope to do. There is an urgency to resolving this ongoing dialogue, and although we support this proposed temporary SPA, we do not wish for it to be a mechanism to delay resolution.

Further, we thank the Department for providing clarity during our consultation meeting on what rates have been shared with the Centers for Medicare and Medicaid Services (CMS) for approval related to a more permanent Pharmacy Dispensing Fee Rate based on the 2019 Cost of Dispensing Fee Survey. We believe additional discussion on these rates is necessary, as they do not accurately reflect the costs for both, Tribal and non-Tribal providers, as currently proposed. Tribal data should not be used to set non-Tribal rates if that rate will not be used to reimburse Tribal programs.

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We would urge a fair and equitable rate and process on pharmacy dispensing fees. Equitable rates do not always mean equal rates, particularly the costs we experience delivering services across the vast roadless expanses of the state where our beneficiaries live. CMS regulations require that States consider the unique circumstances and costs for Tribal providers when establishing their pharmacy dispensing fees so that they are adequately reimbursed for the provision of care to beneficiaries. The data in the Meyers and Stauffer 2020 Report was cost-based and had a nearly 100% response rate for our Tribal pharmacy providers and these results from the methodology are consistent with the requirements in the regulation and ensures access.

We share a mutual goal to expeditiously finalize a new dispensing fee based on the 2019 Cost Dispensing Fee Survey which includes cost-impacts of the COVID-19 Pandemic Era. A process of open communication moving forward will support our joint work to achieve a timely approval of a new set of rates on pharmacy dispensing fees, and we look forward to additional conversations on a path forward.

We appreciate our ongoing collaborative work on resolving this pharmacy dispensing fee rate. We thank the Department for the opportunity to engage in this government-to-government Tribal Consultation. If you have any comments or questions regarding our recommendations, you may contact me at [agorn@nshcorp.org](mailto:agorn@nshcorp.org) or (907)-443-3286.

Sincerely,

  
Angie Gorn (May 17, 2023 11:34 AKDT)

Angie Gorn, President & CEO  
Norton Sound Health Corporation

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