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As it moves forward in the Medicaid state plan amendment process (SPA), the Department of Health (the department) wishes to express appreciation of the tribal health organizations thoughtful and constructive comments for consideration on the proposed state plan amendment (SPA) temporarily extending the temporary enhanced pharmacy dispensing fee rate for one year after the end of the COVID-19 Public Health Emergency.

The following information represents a record of tribal comments (verbatim but not inclusive of all tribal supporting information) and state responses. The department received comments from the following entities and notes the sources of each comment in the document below: Alaska Native Health Board (ANHB), Alaska Native Tribal Health Consortium (ANTHC), Norton Sound Health Consortium (NSHC), Copper River Native Association (CRNA), Ketchikan Indian Community (KIC), Cook Inlet Tribal Council (CITC), Tanana Chiefs Conference (TCC), Southcentral Foundation (SCF), and Aleutian Pribilof Islands Association (APIA).

[Tribal Comment #1 – ANHB, ANTHC, NSHC, CRNA, and KIC](#)

KIC ANTHC, NSHC, CRNA, and KIC write 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.

[Department Response](#)

The department appreciates the feedback and support for this proposed amendment.

[Tribal Comment #2 –SCF](#)

Southcentral Foundation (SCF) offers the following comments related to the temporary state plan amendment (SPA) to continue the enhanced pharmacy dispensing fee. SCF supports the continuation of the enhanced rate, however, there are additional steps that need to be taken to address pharmacy operations costs in Alaska.

[Department Response](#)

Please refer to the response for Tribal Comment #1.

[Tribal Comment #3 –APIA](#)

Aleutian Pribilof Islands Association supports the proposed Medicaid state plan amendment (summary from letter and clarification via e-mail exchange between the department and APIA).

[Department Response](#)

Please refer to the response for Tribal Comment #1.

[Tribal Comment #4 – ANHB, ANTHC, NSHC, CRNA, KIC, TCC](#)

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 provider services. By not implementing a permanent rate based on the 2019 Cost of Dispensing Fee Survey data, the AHS 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.

[Department Response](#)

The department is thankful of the support for the proposed state plan amendment extending the temporary enhanced pharmacy dispensing fee rate.

The department acknowledges the AHS concerns about the implementation of a permanent dispensing fee rate. Additionally, the department appreciates the ongoing collaboration with the AHS and Center for Medicare and Medicaid Services (CMS) to develop permanent rates that reflect dispensing fee costs. The Medicaid pharmacy unit is working diligently on a regulations package that will include the proposed rates. If the regulation package is effective before the end of the temporary extension, the department will submit a SPA implementing the dispensing fee revisions and notify CMS that it seeks to terminate this authority before its end date.

[Tribal Comment #5 – SCF](#)

Ongoing collaboration between the state and the Alaska Tribal Health System to address the high costs of delivering pharmacy services is welcome. It is also a positive development that the state is seeking to ensure there is a separate Tribal rate set during deliberations on a more permanent dispensing fee. However, the department should consider the costs of inflations and other pressures following the creation of the 2019 Cost of Dispensing Fee Survey.

[Department Response](#)

Please refer to the response for Tribal Comment #4.

[Tribal Comment #6 – ANHB, ANTHC, NSHC, CRNA, KIC, TCC](#)

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.

[Department Response](#)

Please refer to the response for Tribal Comment #4.

[Tribal Comment #7 – SCF](#)

Ongoing collaboration between the state and the Alaska Tribal Health System to address the high costs of delivering pharmacy services is welcome. It is also a positive development that the state is seeking to ensure there is a separated Tribal rate set during deliberations on a more permanent dispensing fee. However, the department should consider the costs of inflations and other pressures following the creation of the 2019 Cost of Dispensing Fee Survey.

[Department Response](#)

Please refer to the response for Tribal Comment #4.

[Tribal Comment #8 – ANHB, NSHC, CRNA, KIC, TCC](#)

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 this results from the methodology are consistent with the requirements in the regulation and ensures access.

[Department Response](#)

Please refer to the response for Tribal Comment #4.

[Tribal Comment #9 – ANTHC](#)

We recommend a fair and equitable rate and process on pharmacy dispensing fees that accurately reflect the site-specific costs associated with delivering services in the many isolated communities across the state where our patients reside. 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 by our Tribal pharmacy providers and these results from the methodology are consistent with the requirements in the regulation and ensures access.

[Department Response](#)

Please refer to the response for Tribal Comment #4.

[Tribal Comment #10 – ANTHC](#)

Because the ANMC is statewide referral center for specialty and acute care, it is in a unique position of dispensing more complex medications. Dispensing these means more clinical review due to increased monitoring and Food and Drug Administration compliance requirements. The additional clinical review and compliance activity results in even higher dispensing costs for ANMC.

[Department Response](#)

Please refer to the response for Tribal Comment #4.

[Tribal Comment #11 – ANHB, ANTHC, NSHC, CRNA, KIC, TCC](#)

ANHB/ANTHC/NSHC/CRNA/KIC/TCC - 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.

[Department Response](#)

Please refer to the response for Tribal Comment #4.

[Tribal Comment #12 – ANHB, ANTHC, NSHC, CRNA, KIC, TCC](#)

We appreciate our ongoing collaborative work on a new permanent pharmacy dispensing fee rate. We thank the Department for the opportunity to engage in this government-to-government Tribal Consultation.

[Department Response](#)

The department values the support and active engagement from the Alaska Tribal Health System.

[Tribal Comment #13 – SCF](#)

Again, the adoption of this temporary SPA will produce positive results for the state, the Alaska Tribal Health System, and the hundreds of thousands of Alaskans who rely on Medicaid.

[Department Response](#)

Please refer to the response for Tribal Comment #1