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Dear Tribal Health Leaders

As it moves forward with the amendment process, the Department of Health (the department) wishes to express appreciation for the time and attention tribal health organizations invested in reviewing the proposed state plan amendment (SPA) and drafting thoughtful and constructive comments for consideration.

The following information represents a record of tribal comments submitted by the Alaska Native Health Board (ANHB; verbatim where included) and department responses to tribal consultation regarding the proposed state plan amendment extending its ability – previously granted via disaster relief state plan amendment (dSPA) authority – to pay increased dispensing fees through September 30, 2023.

**Tribal Comment #1 –**

We are supportive of this proposed SPA as a measure to ensure there is not a roll back of current pharmacy dispensing fee levels between when the Federal COVID-19 Public Health Emergency (PHE) ends and when permanent Medicaid Pharmacy Dispensing Fee increases tied to the 2019 Medicaid Pharmacy Dispensing Fee Survey can be implemented.

**Department Response -**

The department appreciates ANHB's support of this proposed amendment.

**Tribal Comment #2 -**

There is an urgent need to adopt a new permanent Medicaid Pharmacy Dispensing Fee, including a Tribal-specific fee structure which recognizes the increased dispensing fee costs Tribal pharmacies face serving our remote, off the road system communities. We appreciate the work the Department is doing to extend the temporary enhanced Medicaid Pharmacy dispensing, but this process should not be used to delay the adoption of a permanent Medicaid Tribal Pharmacy Dispensing Fee.

**Department Response -**

The department understands the concern ANHB expresses in this comment. The Medicaid Pharmacy Unit continues diligently working on a regulations package that will include the implementation of the new dispensing fee structure. However, given the time it takes to move a regulation package through the administrative process, the unit requested an extension of this authority through September 30, 2023. If the regulatory process moves faster, 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 #3 –**

Tribal health organizations have put on hold millions of dollars of pharmacy dispensing fee reimbursements due to the inordinate delay in adopting a permanent Medicaid Tribal Pharmacy Dispensing Fee. This loss of revenue only stands to increase by the millions over the next year if a permanent Medicaid Tribal Pharmacy Dispensing Fee is not adopted swiftly. While we understand the constraints of responding to the COVID-19 pandemic which initially delayed the adoption of new permanent Medicaid Pharmacy Dispensing Fees based on the 2019 Medicaid Pharmacy Dispensing Fee Survey, we are now several years into the process with no new rate in place. Without a new permanent set of Medicaid Pharmacy Dispensing Fees, inflation and cost strains will continue to impact the delivery of pharmacy services by constraining our ability to bring on and retain staff.

### **Department Response –**

The department is cognizant of the financial implications for tribal health organizations associated with the ongoing delay in implementing the dispensing fee structure informed by the 2019 survey. As stated in response to comment #2, the pharmacy unit – though short-staffed – is working diligently to move forward on the remedy to this issue.

### **Tribal Comment #4 –**

Further, the DR SPA includes a provision to allow for a 68-day supply flexibility for medications for beneficiaries. We concur with the Department's decision not propose to extend the 68-day supply flexibility as part of this temporary extension. We do, however, recommend the Department adopt an expanded medications list which will be eligible for 90-day supply as part of any permanent package of changes for Medicaid pharmacy.

### **Department Response –**

The department appreciates this input; it will be provided to the pharmacy unit for consideration. However, it is unlikely that the pharmacy unit has the capacity to evaluate the impact of this suggested change in time for its inclusion – if deemed appropriate - in the forthcoming dispensing fee regulation package and SPA.