DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-22-16
Baltimore, Maryland 21244-1850

September 12, 2025

Stuart Portman
Executive Director, Medical Assistance Plans
State of Georgia, Department of Community Health
2 Peachtree Street, NW, Suite 36-450
Atlanta, GA 30303

RE:
GA-2025-08-04-MMIS-Contract-1 of 7-PBS-Gainwell
GA-2025-08-04-MMIS-Contract-2 of 7-PBS-Conduent State Healthcare, LLC
GA-2025-08-04-MMIS-Contract-3 of 7-PBS-Magellan Medicaid Administration, LLC
GA-2025-08-04-MMIS-Contract-4 of 7-PBS-MedImpact Healthcare System
GA-2025-08-04-MMIS-Contract-5 of 7-PBS-Myers and Stauffer
GA-2025-08-04-MMIS-Contract-6 of 7-PBS-NS
GA-2025-08-04-MMIS-Contract-7 of 7-PBS-OptumRx, Inc

Dear Director Portman:

This letter is in response to the Georgia Department of Community Health (DCH) submission dated July 28, 2025, requesting that the Centers for Medicare & Medicaid Services (CMS) review and approve the State's Medicaid Management Information System (MMIS) Master Agreements (MAs) for the State's Pharmacy Benefit Services (PBS) project.

Georgia's MA contract (41900-DCH0000136) uses the National Association of State Procurement (NASPO) contracting process and will serve as the Lead State under the NASPO agreement. The MA contract includes both implementation and operational services for the PBS project and includes seven Cooperative MA contracts signed by vendors that other states may opt to use. These vendor-signed contracts are as follows:

- Gainwell Technologies (Gainwell)
- Conduent State Healthcare, LLC (Conduent)
- Magellan Medicaid Administration, Inc. (Magellan)
- MedImpact Healthcare Systems Inc. (MedImpact)
- Myers and Stauffer
- NorthStar Healthcare Consulting Technologies (NorthStar)
- OptumRx, Inc (OptumRx)

Additionally, there are four service categories to be procured by DCH, which are outlined below.

Pharmacy Benefit Administrator Services

The Vendor will provide design, development, implementation (DDI), and maintenance of a modular Pharmacy Point-of-Sale (POS) Claims Processing Solution and Pharmacy Benefit Administrator (PBA) services for the Fee-for-Service (FFS) Medicaid pharmacy program.

The Pharmacy Benefit Administrator Program (PBAP) is comprised of the following Components: Preferred Drug List (PDL) services, POS Claims processing, Third Party Liability (TPL) and Coordination of Benefits (COB), Prior Authorization (PA) services, financial management services, and customer support (including a customer call center and web portal).

Clinical Management Services
The Vendor will provide Pharmacy Clinical Management Services for the State's FFS Medicaid pharmacy program. Services include Drug Utilization Review (DUR), a Utilization Management program, and Retrospective Drug Utilization Review Services (RetroDUR).

Fraud, Waste, Abuse (FWA) Services
The Vendor will provide Pharmacy Fraud, Waste and Abuse (FWA) Audit Services for the State's FFS Medicaid pharmacy program. Services include, but are not limited to:

- Provide assistance for audits from the State that will also be educational in nature and serve to enhance Provider knowledge of the State policy as per contractual obligations
- Assist the State to identify and respond to FWA within the system, including that of Members and Providers, and to assist Providers with education and corrective action
- Assist the State to ensure the compliance of systems and services with federal and state law and the State's pharmacy program policies, procedures, and processes.

Drug Rebate Services
The Vendor will administer the invoicing, collection, financial analysis, and negotiations of Pharmacy Drug Rebates Services for eligible Federal Pharmacy Rebates and Supplemental Rebates for FFS, the State Pharmaceutical Assistance Program (SPAP), and Medicaid Care Management Organizations (CMOs), as applicable. Supplemental Rebates include value-based contracts, Durable Medical Equipment (DME), state-specific Rebates, and traditional Supplemental Rebates.

Services include, but are not limited to, CMS Rebates for all Covered Outpatient Drugs (COD), including healthcare Provider-administered drugs, drugs billed through the POS Claims Processing Solution as managed by the State's PBA vendor, and other Products subject to rebate.

While DCH intends to use only the four service categories listed above, the NASPO PBS Module procurement may include additional service categories that other states may opt to use.

Each no-cost MA contract has a (10) year performance period. The initial term for each contract is one (1) year, with nine one-year option periods; however, before executing each optional year, the Contracts must be submitted to CMS for review and prior approval. The contract term for each MA contract shall begin on the date it is signed by all parties. Please provide an electronic copy of the final contract with the contract term dates to your Medicaid Enterprise Systems (MES) State Officer after all signatures are obtained.

CMS approved Georgia's related Advanced Planning Document (APD) (GA-2025-02-17-MMIS-PAPDU-PBS-FFY2025), outlining the scope and cost for the PBS NASPO multi-state cooperative procurement on April 1, 2025. The approved funding will expire on September 30, 2026.

CMS approves the State's MSA Contract #41900-DCH0000136, effective July 28, 2025, in accordance with 45 CFR 95.611. Please provide your MES State Officer with an electronic copy of the final contract.

CMS reminds the State that approval of this contract does not constitute approval of federal funding for the contract's entire duration. Georgia's PAPD approval currently authorizes funding only through September 30, 2026; additional funding to support these contracts must be requested through an APD Update to cover contract work occurring after September 30, 2026.

Per 45 CFR 95.611, any subsequent revisions and/or amendment(s) to the contract will require CMS' prior written approval to qualify for Federal Financial Participation (FFP). Additionally, any changes in the related approved APD project scope, duration, or cost, requires CMS prior approval of an APD Update. Please provide an electronic copy of the final signed Statement of Work to your Medicaid Enterprise Systems State Officer.

The State must obtain CMS' prior approval for APDs, Requests for Proposals (RFPs), contracts, and contract amendments as specified in regulations at 45 CFR 95.611. Per 45 CFR 95.611(d), CMS has 60 days to review and respond to a state's submission. The state is reminded that funding for each FFY expires on September 30 of the corresponding FFY**. Failure to submit an annual or as-needed APD update in a timely manner may put the state at risk of having a gap in approved FFP.**

Formal submissions of MES APDs, RFPs, and contracts should be sent to the CMS dedicated MES electronic mailbox: MedicaidMMIS@cms.hhs.gov, with a cover letter addressed to Edward Dolly, Deputy Director, Data and Systems Group.

If you have any questions, please contact your MES State Officer, Mianekee (Nekee) Johnson, at mianekee.johnson@cms.hhs.gov.

Sincerely,

Ricardo Melendez -S

Digitally signed by Ricardo Melendez -S
Date: 2025.09.12 11:56:16 -06'00'

Ricardo Melendez, Deputy Director
Division of HITECH and MMIS

CC:
MESClearance@cms.hhs.gov
Colin, James, FMG Lead