

Department of Health & Human Services
Centers for Medicare & Medicaid Services
26 Federal Plaza, Room 37-100 North
New York, NY 10278



December 22, 2010

Valerie Harr, Director
Division of Medicaid Assistance and Health Services
Department of Human Services
P.O. Box 712
Trenton, New Jersey 08625

Dear Mrs. Harr:

We have received a copy of Larry Reed's letter to you, in which he notified you of the approval of New Jersey's State Plan Amendment (SPA) 10-11MA. This SPA revises the estimated acquisition cost (EAC) formula from average wholesale price (AWP) minus 16 percent to AWP minus 17.5 percent. In addition, this amendment makes several editorial and structural changes.

Mr. Reed advised you that the New York Regional Office would forward you the signed CMS-179 form as well as copies of the approved pages. These documents are enclosed. The revised pages of Attachment 3.1.-B and 4.19-B included in your letter of September 30, 2010 have replaced the corresponding pages that were previously submitted.

Please note the approval date of the SPA is December 21, 2010 and the effective date is July 1, 2010.

If you have any questions, please contact Ana J. Balbuena at (212) 616-2410

Sincerely,

/s/

Sue Kelly
Associate Regional Administrator
Division of Medicaid and Children's Health