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State/Territory Name: North Carolina

State Plan Amendment (SPA) #: 17-0004

This file contains the following documents in the order listed:

- 1) RO Follow-Up Approval Letter
- 2) Pharmacy Approval Letter
- 3) CMS 179 Form
- 4) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Atlanta Regional Office
61 Forsyth Street, Suite 4T20
Atlanta, Georgia 30303



DIVISION OF MEDICAID & CHILDREN'S HEALTH OPERATIONS

September 8, 2017

Dave Richard, Director
Division of Medical Assistance
Department of Health and Human Services
2501 Mail Service Center
Raleigh, NC 27699-2501

Re: North Carolina Title XIX State Plan Amendment, Transmittal #17-0004

Dear Mr. Richard:

This is to affirm approval of the above referenced State Plan Amendment which was submitted to the Regional Office on May 22, 2017. The State's requested effective date of July 1, 2017 has been accepted.

Enclosed for your records are:

1. a copy of the approval letter dated September 7, 2017 that was submitted to the State by Larry Reed, Director, Division of Pharmacy;
2. the original signed 179; and
3. the approved plan pages.

If you have any additional questions regarding this amendment, please contact Kenni Howard, State Coordinator for North Carolina, at 404-562-7413.

Sincerely,

//s//

Shantrina Roberts
Acting Associate Regional Administrator
Division of Medicaid and Children's Health Operations

Enclosure(s)

Center for Medicaid and CHIP Services

Disabled and Elderly Health Programs Group

September 7, 2017

David Richard
Deputy Secretary for Medical Assistance
Department of Health and Human Services
1985 Umstead Drive, Kirby Building
Raleigh, NC 27603

Dear Mr. Richard:

We have reviewed North Carolina State Plan Amendment (SPA) 17-0004, Prescribed Drugs, received in the Atlanta Regional Office on May 22, 2017.

The state plan proposes revisions to the reimbursement methodology for physician administered contraceptives at Wholesale Acquisition Cost (WAC) plus 6% and physician administered vaccines (as noted on the medical pages) at WAC plus 3%, while all other physician administered drugs will remain at prices established on January 1, 2015. The state has requested an effective date of July 1, 2017.

Based on the information provided and consistent with the regulations at 42 CFR 430.20, we are pleased to inform you that SPA 17-0004 is approved with an effective date of July 1, 2017. A copy of the revised signed CMS-179 form, as well as the pages approved for incorporation into North Carolina's state plan will be forwarded by the Atlanta Regional Office.

We appreciate that North Carolina has a plan to monitor patient access to physician administered drugs. The state indicates that it is committed to having "continued discussions and add physician groups as needed to the State's Monitoring Access plan" and addressing any access to care issue that may arise regarding these drugs. We look forward to supporting your efforts to ensure North Carolina Medicaid beneficiaries have access to all categories of physician administered drugs.

If you have any questions regarding this amendment, please contact Pamela Schweitzer at (410) 786-2832 or pamela.schweitzer@cms.hhs.gov.

Sincerely,

/s/

John M. Coster, Ph.D., R.Ph.
Director, Division of Pharmacy

Page 2 – David Richard

CC: Many Cohen, MD, MPH, Secretary, NC Department of Health and Human Services
Kimberly Shore, State Plan Administrator, NC Division of Medical Assistance
Melanie Johnson, Atlanta Regional Office
Shantrina Roberts, Atlanta Regional Office
Kenni Howard, Atlanta Regional Office

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: 17-004	2. STATE NC
FOR: HEALTH CARE FINANCING ADMINISTRATION		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE July 1, 2017	
5. TYPE OF PLAN MATERIAL (<i>Check One</i>): <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (<i>Separate Transmittal for each amendment</i>)			
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 447.520		7. FEDERAL BUDGET IMPACT: a. FFY 2017 \$ 598,774 b. FFY 2018 \$2,421,239	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B, Section, 12 Page1b, and Attachment 4.19-B, Supplement 3, Page 2		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>): Attachment 4.19-B, Section, 12 Page1b, and Attachment 4.19-B, Supplement 3, Page 2	
10. SUBJECT OF AMENDMENT: Physician Drug Program			
11. GOVERNOR'S REVIEW (<i>Check One</i>): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: Secretary <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL:		16. RETURN TO:	
13. TYPED NAME: Mandy Cohen, MD, MPH		Office of the Secretary Department of Health and Human Services 2001 Mail Service Center Raleigh, NC 27699-20014	
14. TITLE: Secretary			
15. DATE SUBMITTED: 05/22/17			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: 05/22/17		18. DATE APPROVED: 09/07/17	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: 07/01/17		20. SIGNATURE OF REGIONAL OFFICIAL: //s//	
21. TYPED NAME: Shantrina Roberts		22. TITLE: Acting Associate Regional Administrator Division of Medicaid & Children Health Opns	
23. REMARKS: Approved to the following changes to block number 8 as authorized by state agency on email dated 08/21/17. Block # 8 changed to read: Attachment 419-B, Section 12 page 1b, Supplement 3 page 2 and 4.19-B Section 5 page 1g.			

MEDICAL ASSISTANCE
State: NORTH CAROLINA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICE

12. Prescribed drugs, dentures, and prosthetic devices; and eyeglasses prescribed by a physician skilled in disease of the eye or by an optometrist.

Physician Drug Program:

The agency's fee schedule rates for physician administered drugs were set as of January 1, 2015 and are effective for services provided on or after that date.

New physician administered drugs are reimbursed at the Average Sales Price (ASP) plus 6% to follow Medicare pricing. If there is no ASP value available from Medicare, fees shall be established based on the lower of vendor specific National Drug Code (NDC) Average Wholesale Price (AWP) less 10% pricing as determined using lowest generic product NDC, lowest brand product NDC or a reasonable value compared to other physician drugs currently on North Carolina's physician drug program list.

Effective July 1, 2017, physician administered contraceptive drugs are reimbursed at the Wholesale Acquisition Cost (WAC) plus 6%.

Except as otherwise noted in the plan, State developed fee schedule rates are the same for both governmental and private providers of the physician drug program and the fee schedule and any annual/periodic adjustments to the fee schedules are published on the NC Division of Medical Assistance Web site.

State Plan Under Title XIX of the Social Security Act
Medical Assistance Program
State: North Carolina

Physician Drug Program:

Effective July 1, 2017, physician administered vaccines are reimbursed at the Wholesale Acquisition Cost plus 3%.

Except as otherwise noted in the plan, State developed fee schedule rates are the same for both governmental and private providers of the physician drug program and the fee schedule and any annual/periodic adjustments to the fee schedules are published on the NC Division of Medical Assistance Web site.