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State/Territory Name: North Carolina

State Plan Amendment (SPA) #: 13-026

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 Page

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 3, 2014

Dr. Robin Cummings, Director
Division of Medical Assistance
Department of Health and Human Services
2501 Mail Service Center
Raleigh, NC 27699-2501

Attention: Teresa Smith

RE: North Carolina State Plan Amendment, Transmittal #13-026

Dear Ms. Terrell:

This is to affirm approval of the above referenced State Plan Amendment which was submitted to the Regional Office on September 24, 2013. The State's requested effective date of August 1, 2013 has been accepted.

Enclosed for your records are:

1. a copy of the approval letter dated August 28, 2014 that was submitted to the State by John M. Coster, Director, Division of Pharmacy;
2. the original signed 179; and
3. the approved plan page.

If you have any additional questions regarding this amendment, please contact Elaine Elmore, State Coordinator for North Carolina, at 404-562-7408.

Sincerely,

//s//

Jackie Glaze
Associate Regional Administrator
Division of Medicaid & Children's Health Operations

Enclosure(s)

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-14-26
Baltimore, Maryland 21244-1850



Disabled & Elderly Health Programs Group

August 28, 2014

Aldona Z. Wos, MD
Secretary
Office of the Secretary
Department of Health and Human Services
2001 Mail Service Center
Raleigh, NC 27699

Attention: Teresa Smith

Dear Dr. Wos:

We have reviewed North Carolina State Plan Amendment (SPA) 13-026, Prescribed Drugs, received in the Atlanta Regional Office on September 24, 2013. This amendment proposes to freeze the rates for the Physician Drug Program (PDP) for state fiscal year (SFY) 2014 and 2015. The primary method of reimbursement for the PDP is the Average Sales Price plus 6% to follow Medicare pricing. For SFY 2014, the rates for the PDP will be frozen at the PDP rates in effect on June 30, 2013. For SFY 2015, the rates for the PDP will be frozen at the PDP rates in effect on June 30, 2014. There will be no further annual adjustments except that Medicaid rates will be adjusted downward in accordance with applicable years downward adjustments to the Medicare fee schedule.

Based on the information provided, we are pleased to inform you that SPA 13-026 is approved with an effective date of August 1, 2013. A copy of the signed CMS-179 form as well as the pages approved for incorporation into the North Carolina state plan will be forwarded by the Atlanta Regional Office.

If you have any questions regarding this SPA, please contact Jessica Walker at (410) 786-2457.

Sincerely,

/s/

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

cc: Jackie Glaze, ARA, Atlanta Regional Office
Elaine Elmore, Atlanta Regional Office

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL	1. TRANSMITTAL NUMBER: 13-026	2. STATE NC
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
FOR: HEALTH CARE FINANCING ADMINISTRATION	4. PROPOSED EFFECTIVE DATE August 1, 2013	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		

5. TYPE OF PLAN MATERIAL (Check One):

- NEW STATE PLAN AMENDMENT TO BE CONSIDERED AS NEW PLAN AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 440	7. FEDERAL BUDGET IMPACT: a. FFY 2014 \$0.00 b. FFY 2015 \$0.00
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B, Supplement 3, Page 2	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-B, Supplement 3, Page 2

10. SUBJECT OF AMENDMENT:

Physician Drug Program (PDP)

11. GOVERNOR'S REVIEW (Check One):

- GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED: Secretary
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL:

//s//

13. TYPED NAME: Aldona Z. Wos, M.D.

14. TITLE: Secretary

15. DATE SUBMITTED: 09-24-13

16. RETURN TO:

Office of the Secretary
Department of Health and Human Services
2001 Mail Service Center
Raleigh, North Carolina 27699-20014

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: 09-24-13	18. DATE APPROVED: 08-28-14
PLAN APPROVED - ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: 08-01-13	20. SIGNATURE OF REGIONAL OFFICIAL: //s//
21. TYPED NAME: Jackie Glaze	22. TITLE: Associate Regional Administrator Division of Medicaid & Children Health Opns

23. REMARKS:

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

Payments for Medical and Remedial Care and Services

Payment for Physician Drug Program:

SFY 2010 – The rates for SFY 2010 are frozen as of the rates in effect at July 1, 2009. Effective October 1, 2009, a negative inflationary adjustment of 3.61% was applied to the existing rates. There will be no further annual adjustment.

SFY 2011 – As of July 1, 2010 rates will be frozen except Medicaid rates may be adjusted downward in accordance with the current years downward adjustments to the Medicare fee schedule.

SFY 2012 - The rates for SFY 2012 are frozen as of the rates in effect at July 1, 2011 except Medicaid rates may be adjusted downward in accordance with the current years downward adjustments to the Medicare fee schedule.

SFY 2014 – Effective August 1, 2013, the rates will be frozen at the rate in effect on June 30, 2013. There will be no further annual adjustments except that Medicaid rates may be adjusted downward in accordance with the applicable years downward adjustments to the Medicare fee schedule.

SFY 2015 - Effective July 1, 2014, the rates will be frozen at the rate in effect on June 30, 2014. There will be no further annual adjustments except that Medicaid rates may be adjusted downward in accordance with the applicable years downward adjustments to the Medicare fee schedule.

Reference: Attachment 4.19-B, Section 12

TN No. 13-026
Supersedes
TN No. 11-047

Approval Date: 08-28-14

Eff. 08/01/2013