



STATE OF NORTH CAROLINA  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

ROY COOPER  
GOVERNOR

KODY H. KINSLEY  
SECRETARY

January 12, 2024

James Scott, Director  
Division of Program Operations  
Department of Health & Human Services  
Centers for Medicare & Medicaid Services  
601 East 12th Street Room 355  
Kansas City, Missouri 64106

SUBJECT: State Plan Amendment  
Title XIX, Social Security Act  
Transmittal #2024-0012

Dear Mr. Scott:

Please find attached an amendment for North Carolina's State Plan under Title XIX of the Social Security Act for the Medical Assistance Program.

This State Plan Change will allow North Carolina to remove language that set Physician Administered Drug Program (PADP) reimbursement prices in 2015 and allow for rates to be updated.

The proposed effective date of the SPA is February 01, 2024.

Your approval of this state plan amendment is requested. If you have any questions or concerns, please contact me or Betty J. Staton at (919) 538-3215.

Sincerely,

DocuSigned by:  
A handwritten signature in black ink that reads "Jay Ludlam".  
06565C1C2A8F4C8...

Jay Ludlam  
Deputy Secretary

Enclosures

## MEDICAL ASSISTANCE

State: NORTH CAROLINA

## PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICE

---

---

12. Physician Administered Drug Program (PADP):

New physician administered drugs are reimbursed at the Average Sales Price (ASP) 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 ten percent (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.

Per approved Section 12, page 1a.1 d. effective April 1, 2017, procedure coded professional or medical drug claims for blood clotting factor / hemophilia drugs shall be reimbursed based on the lesser of the State Maximum Allowable Cost (SMAC) or the billed amount.

Effective July 1, 2017, physician administered Long-Acting Reversible Contraceptive (LARC) non-340B drugs are reimbursed based on the lesser of the Wholesale Acquisition Cost (WAC) plus six percent (6%) or the billed amount.

Effective December 1<sup>st</sup>, 2022, physician administered LARCs, acquired utilizing the 340B program, will be calculated based on 340B ceiling price plus six percent (6%) and will be reimbursed based on the lesser of 106% 340B ceiling price or the billed amount. If 340B ceiling price is not available, then 340B LARC shall be reimbursed based on the 340B Actual Acquisition Cost plus six percent (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 Health Benefits Website.