

**To all beneficiaries enrolled in a Prepaid Health Plan (PHP): for questions about benefits and services available on or after implementation, please contact your PHP.**

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**NC Medicaid  
Over-The-Counter Products**

**Medicaid  
Clinical Coverage Policy No: 9A  
Amended Date: July 1, 2026**

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## **1.0 Description of the Procedure, Product, or Service**

Selected non-legend, over-the-counter (OTC) products may be covered as an optional benefit for a NC Medicaid (Medicaid) beneficiary within the pharmacy program when:

- a. The policy guidelines listed in **Subsection 1.1** are met.
- b. The therapeutic class code (GC3) for the product is listed on the OTC list. (Refer to **Attachment B, Covered Over the Counter Products.**)
- c. The product is dispensed by a pharmacist pursuant to a lawful prescription with an exception for Opill. Opill is covered without a prescription for up to a 3-month supply.
- d. For medications, the manufacturer must have a valid rebate agreement with the Centers for Medicare and Medicaid Services.

Covered OTC medications are subject to the same restrictions and recommendations as any legend drug. Restrictions and recommendations such as prior authorization and quantity limits may apply (**Attachment B, Covered Over-the-Counter Products**). All other policies of the outpatient pharmacy program apply.

### **1.1 Definitions**

None Apply.

### **1.2 Policy Guidelines**

NC Medicaid may consider coverage for specific OTC products and OTC medications not available as legend drugs that provide cost-effective treatment as well as cost-effective alternatives to legend drugs covered by Medicaid. The decision for coverage is based on the analysis of the cost savings or potential cost benefit of coverage of the OTC product and the recommendations of the North Carolina Physician Advisory Group (NCPAG), which will consider off-label indications using an evidence-based approach. The decision for coverage is also based on a consideration of the limited ability of beneficiaries to pay out-of-pocket for relatively expensive OTC products.

DHHS and NC Medicaid may change the coverage status of an OTC drug if there are urgent patient safety concerns, medication access issues or significant financial implications. Changes will be communicated to the P&T committee by email at the time of the change and will be presented at the next scheduled P & T committee meeting and subsequent Physicians' Advisory Group (PAG) meeting.

## 2.0 Eligibility Requirements

### 2.1 Provisions

#### 2.1.1 General

*(The term “General” found throughout this policy applies to all policies)*

- a. An eligible beneficiary shall be enrolled in the NC Medicaid Program *(Medicaid is NC Medicaid program, unless context clearly indicates otherwise)*
- b. Provider(s) shall verify each Medicaid beneficiary’s eligibility each time a service is rendered.
- c. Medicaid beneficiary may have service restrictions due to their eligibility category that would make them ineligible for this service.

#### 2.1.2 Specific

*(The term “Specific” found throughout this policy only applies to this policy)*

- a. Medicaid  
None Apply.

### 2.2 Special Provisions

#### 2.2.1 EPSDT Special Provision: Exception to Policy Limitations for a Medicaid Beneficiary under 21 Years of Age

- a. **42 U.S.C. § 1396d(r) [1905(r) of the Social Security Act]**

Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) is a federal Medicaid requirement that requires the state Medicaid agency to cover services, products, or procedures for Medicaid beneficiary under 21 years of age **if** the service is **medically necessary health care** to correct or ameliorate a defect, physical or mental illness, or a condition [health problem] identified through a screening examination (includes any evaluation by a physician or other licensed practitioner).

This means EPSDT covers most of the medical or remedial care a child needs to improve or maintain his or her health in the best condition possible, compensate for a health problem, prevent it from worsening, or prevent the development of additional health problems.

Medically necessary services will be provided in the most economic mode, as long as the treatment made available is similarly efficacious to the service requested by the beneficiary’s physician, therapist, or other licensed practitioner; the determination process does not delay the delivery of the needed service; and the determination does not limit the beneficiary’s right to a free choice of providers.

EPSDT does not require the state Medicaid agency to provide any service, product or procedure:

1. that is unsafe, ineffective, or experimental or investigational.
2. that is not medical in nature or not generally recognized as an accepted method of medical practice or treatment.

Service limitations on scope, amount, duration, frequency, location of service, and other specific criteria described in clinical coverage policies may be exceeded or may not apply as long as the provider's documentation shows that the requested service is medically necessary "to correct or ameliorate a defect, physical or mental illness, or a condition" [health problem]; that is, provider documentation shows how the service, product, or procedure meets all EPSDT criteria, including to correct or improve or maintain the beneficiary's health in the best condition possible, compensate for a health problem, prevent it from worsening, or prevent the development of additional health problems.

**b. EPSDT and Prior Approval Requirements**

- a. If the service, product, or procedure requires prior approval, the fact that the beneficiary is under 21 years of age does **NOT** eliminate the requirement for prior approval.
- b. **IMPORTANT ADDITIONAL INFORMATION** about EPSDT and prior approval is found in the *Provider Claims and Billing Assistance Guide*, and on the EPSDT provider page. The Web addresses are specified below.

*Provider Claims and Billing Assistance Guide:*

<https://www.nctracks.nc.gov/content/public/providers/provider-manuals.html>

EPSDT provider page: <https://medicaid.ncdhhs.gov/>

### 3.0 When the Procedure, Product, or Service Is Covered

*Note: Refer to Subsection 2.2.1 regarding EPSDT Exception to Policy Limitations for a Medicaid Beneficiary under 21 Years of Age.*

#### 3.1 General Criteria Covered

Medicaid shall cover the procedure, product, or service related to this policy when medically necessary, and:

- a. the procedure, product, or service is individualized, specific, and consistent with symptoms or confirmed diagnosis of the illness or injury under treatment, and not in excess of the beneficiary's needs;
- b. the procedure, product, or service can be safely furnished, and no equally effective and more conservative or less costly treatment is available statewide; and
- c. the procedure, product, or service is furnished in a manner not primarily intended for the convenience of the beneficiary, the beneficiary's caretaker, or the provider.

#### 3.2 Specific Criteria Covered

##### 3.2.1 Specific criteria covered by Medicaid

###### a. Identification of Candidate OTCs

A drug that meets any of the following criteria may be considered as a candidate for OTC coverage:

1. A Medicaid-covered legend drug approved by the FDA as an OTC drug that results in a significant cost savings to Medicaid.

**Example:** The OTC version of Prilosec, which is identical in strength and formulation.

2. An efficacious drug is available only as OTC and not legend, and all other legend treatments are significantly more expensive without a significant increase in effectiveness.
3. Coverage for an OTC or a group of OTCs expands treatment options because they have been shown to decrease the total cost of care for certain conditions.

**Example:** Allergy treatments

**b. Use of Pilot Studies**

When the effect of adding an OTC is uncertain in terms of utilization, cost savings, etc., limited pilot studies are recommended and may be conducted within venues such as Community Care of North Carolina demonstration projects before making the OTC available statewide.

**c. Monitoring OTC Inclusion**

Monitoring will occur at least annually for each product on the OTC list to assess total utilization, per member per month rates, use rates, and cost effectiveness of continuing to include the OTC on the list.

**d. Removal of OTCs from Coverage**

Upon the advice of the North Carolina Physician Advisory Group (NCPAG), if an OTC product fails to meet criteria for continued coverage under the pharmacy benefit; NC Medicaid may remove it from the covered OTC list. This information will be posted to the OTC list according to MN Medicaid's clinical coverage policy guidelines.

**3.2.2 Medicaid Additional Criteria Covered**

None Apply.

**4.0 When the Procedure, Product, or Service Is Not Covered**

*Note: Refer to Subsection 2.2.1 regarding EPSDT Exception to Policy Limitations for a Medicaid Beneficiary under 21 Years of Age.*

**4.1 General Criteria Not Covered**

Medicaid shall not cover the procedure, product, or service related to this policy when:

- a. the beneficiary does not meet the eligibility requirements listed in **Section 2.0**;
- b. the beneficiary does not meet the criteria listed in **Section 3.0**;
- c. the procedure, product, or service duplicates another provider's procedure, product, or service; or
- d. the procedure, product, or service is experimental, investigational, or part of a clinical trial.

**4.2 Specific Criteria Not Covered**

**4.2.1 Specific Criteria Not Covered by Medicaid**

None Apply.

**4.2.2 Medicaid Additional Criteria Not Covered**

None Apply.

## 5.0 Requirements for and Limitations on Coverage

*Note: Refer to Subsection 2.2.1 regarding EPSDT Exception to Policy Limitations for Medicaid Beneficiaries under 21 Years of Age.*

### 5.1 Prior Approval

Prior approval may be required. Prior approval requirements are available on the Medicaid Preferred Drug List (<https://medicaid.ncdhhs.gov/>).

### 5.2 Additional Limitations or Requirements

None Apply.

## 6.0 Provider(s) Eligible to Bill for the Procedure, Product, or Service

To be eligible to bill for the procedure, product, or service related to this policy, the provider(s) shall:

- a. meet Medicaid qualifications for participation;
- b. have a current and signed Department of Health and Human Services (DHHS) Provider Administrative Participation Agreement; and
- c. bill only for procedures, products, and services that are within the scope of their clinical practice, as defined by the appropriate licensing entity.

### 6.1 Provider Qualifications and Occupational Licensing Entity Regulations

None Apply.

### 6.2 Provider Certifications

None Apply.

## 7.0 Additional Requirements

*Note: Refer to Subsection 2.2.1 regarding EPSDT Exception to Policy Limitations for a Medicaid Beneficiary under 21 Years of Age.*

### 7.1 Compliance

Provider(s) shall comply with the following in effect at the time the service is rendered:

- a. All applicable agreements, federal, state and local laws and regulations including the Health Insurance Portability and Accountability Act (HIPAA) and record retention requirements; and
- b. All NC Medicaid's clinical (medical) coverage policies, guidelines, policies, provider manuals, implementation updates, and bulletins published by the Centers for Medicare and Medicaid Services (CMS), DHHS, DHHS division(s) or fiscal contractor(s).

**DRAFT**

**8.0 Policy Implementation/Revision Information**

**Original Effective Date:** October 1, 2003

**Revision Information:**

<b>Date</b>	<b>Section Revised</b>	<b>Change</b>
09/01/04	Section 1.0	A technical correction to clarify how over the counter medications are dispensed.
05/1/07	Section 1.0	Removed packaging requirements from item d.
02/1/09 (eff. 09/16/08)	Sections 1.0 and 2.1	Added “non-legend” to description; changed National Drug Codes (NDCs) to therapeutic class codes (GC3s).
02/1/09 (eff. 09/16/08)	Attachment A	Deleted specific NDC codes and substituted therapeutic class codes.
07/1/09 (eff. 07/17/09)	Throughout	Updated terminology to “over-the-counter products” to include syringes.
07/1/09 (eff. 07/17/09)	Attachment A	Added syringes (GC3 code X2B) to list of covered products.
07/1/2010	Throughout	<b>Policy Conversion: Implementation of Session Law 2009-451, Section 10.32 “NC HEALTH CHOICE/PROCEDURES FOR CHANGING MEDICAL POLICY.”</b>
11/1/10 (eff. 09/15/10)	Section 1.0	Removed reference to PAL
11/1/10 (eff. 09/15/10)	Attachment A	Added antihistamine-decongestant combination products (GC3 Code Z2O) to OTC Drug Class Description  Removed the sentence: <b>“Note: Coverage of GC3 Z2Q does not include antihistamine-decongestant combination products.”</b>
03/1/2012	Sections 1.0, 2.2, 2.3, Attachment A	Technical changes to merge Medicaid and NCHC current coverage into one policy.
10/01/2015	All Sections and Attachments	Updated policy template language and added ICD-10 codes to comply with federally mandated 10/1/2015 implementation where applicable.
10/01/2017	Attachment B	Oral contraceptive, levonorgestrel, added to Covered OTC Products Amended policy posted on this date, with an <b>EFFECTIVE Date</b> of 07/01/2013.
03/15/2019	Table of Contents	Added, “To all beneficiaries enrolled in a Prepaid Health Plan (PHP): for questions about benefits and services available on or after November 1, 2019, please contact your PHP.”
03/15/2016	All Sections and Attachments	Updated policy template language.

<b>Date</b>	<b>Section Revised</b>	<b>Change</b>
07/1/2019	Subsection 1.2	Added: “DHHS and NC Medicaid may change the coverage status of an OTC drug if there are urgent patient safety concerns, medication access issues or significant financial implications. Changes will be communicated to the P&T committee by email at the time of the change and will be presented at the next scheduled P & T committee meeting and subsequent Physicians’ Advisory Group (PAG) meeting.”
07/1/2019	Attachment B	Polyethylene glycol 3350 added to Covered OTC Products and update section 1.2
01/12/2020	Table of Contents	Updated policy template language, “To all beneficiaries enrolled in a Prepaid Health Plan (PHP): for questions about benefits and services available on or after implementation, please contact your PHP.”
01/12/2020	Attachment A	Added, “Unless directed otherwise, Institutional Claims must be billed according to the National Uniform Billing Guidelines. All claims must comply with National Coding Guidelines”.
4/15/2023	All Sections and Attachment(s)	Updated policy template language due to North Carolina Health Choice Program’s move to Medicaid. Policy posted 4/15/2023 with an effective date of 4/1/2023.
07/01/2026	Attachment B	OTC Naloxone added to Covered OTC Products and update section 1.2 with an effective date of 08/01/2023
07/01/2026	Attachment B	Opill coverage with a prescription and Norgestrel added to birth control products with an effective date of 08/01/2023
07/01/2026	Attachment B	Opill without a prescription with an effective date of 08/01/2024.
07/01/2026	Attachment B	Low dose aspirin coverage added for pre-eclampsia. Limit of 1/day
07/01/2026	Attachment B	Add coverage for male and female condoms and spermicides, including quantity limits with an effective date of 09/01/2024

## Attachment A: Claims-Related Information

Provider(s) shall comply with the, *Provider Claims and Billing Assistance Guide*, Medicaid bulletins, fee schedules, NC Medicaid's clinical coverage policies and any other relevant documents for specific coverage and reimbursement for Medicaid:

### A. Claim Type

D Claim, NCPDP Claim Format

### B. International Classification of Diseases, Tenth Revisions, Clinical Modification (ICD-10-CM) and Procedural Coding System (PCS)

Not Applicable.

### C. Code(s)

Not Applicable.

### D. Modifiers

Not Applicable.

### E. Billing Units

Tablet, capsule, milliliter (ml), grams, and each.

### F. Place of Service

Not Applicable.

### G. Co-payments

For Medicaid refer to Medicaid State Plan:

<https://medicaid.ncdhhs.gov/meetings-notices/medicaid-state-plan-public-notices>

### H. Reimbursement

Provider(s) shall bill their usual and customary charges.

For a schedule of rates, see: <https://medicaid.ncdhhs.gov/>

**Attachment B: Covered Over-the-Counter Products**

OTC Drug Class Description	GC3 Code	Beginning Date of Coverage	Ending Date of Coverage	Notes
Smoking deterrent agents (nicotine)	J3A	07/20/2005		
Proton pump inhibitors	D4J	10/1/2003		
Second generation antihistamines	Z2Q	11/25/2003		
Second generation antihistamines-decongestant combination products (Quantity limits apply)	Z2O	09/15/2010		
Insulins	C4G	06/25/1991		
Syringes	X2B	07/17/2009		
Test Strips	M4A	11/15/2009		
Control Solution	Y9A	11/15/2009		
Lancets	Y3A	11/15/2009		
Lancing Device	Y9A	11/15/2009		
Pen Needles	X2A	02/26/2010		
Contraceptives, Oral (levonorgestrel and norgestrel)	G8A	07/01/2017		Opill covered for up to 13 months supply with a prescription and Opill covered up to a 3-month supply without a prescription; all claims, including those for managed care members are processed through NC Medicaid Direct
Cathartics and Laxatives - limited to polyethylene glycol 3350	D6S	12/01/2018		
Naloxone OTC	H3T	08/01/2023		
Aspirin 81mg and Aspirin 81mg delayed release	M9P	07/01/2026		Covered for beneficiaries at risk of preeclampsia Quantity limit of 1 per day
Condoms (male and female)	X1A	09/01/2024		Quantity limit of 30 per month. Limits are cumulative. Covered products are listed on the Diabetic Testing and CGM fee schedule available at <a href="https://ncdhhs.servicenow.com/fee_schedules">https://ncdhhs.servicenow.com/fee_schedules</a>
Spermicides	G9A	09/01/2024		Quantity limits of 76.5 grams per month of gel and 30 films per month. Limits are cumulative. Covered products are listed on the Diabetic Testing and CGM fee schedule available at <a href="https://ncdhhs.servicenow.com/fee_schedules">https://ncdhhs.servicenow.com/fee_schedules</a>