



STATE OF NORTH CAROLINA  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

ROY COOPER  
GOVERNOR

MANDY COHEN, MD, MPH  
SECRETARY

April 19, 2021

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 #2021-0008

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. The affected page is Attachment 3.1-A.1, page 14c.

This State Plan Amendment change outlines that North Carolina Medicaid permits the inclusion of Medicaid MCO drug utilization in the invoicing of State Supplemental Drug Rebates. Participating Medicaid MCOs are eligible for National Rebates under 42 U.S.C. § 1396r-8 and each participating Medicaid MCO will align their respective formulary and/or preferred drug list, assuring access to preferred Supplemental Covered Products.

The coverage is to be no more restrictive than the North Carolina Medicaid PDL, for any period with respect to which the North Carolina Medicaid Program will invoice for Supplemental Rebates for utilization in both the fee-for-service Medicaid population and the Managed Care Organization Medicaid population.

This amendment is effective April 1, 2021.

Your approval of this state plan amendment is requested. If you have any questions or concerns, please contact me or Betty J. Staton at 919-527-7093.

Sincerely,

A handwritten signature in black ink that reads "Mandy K. Cohen".

Mandy Cohen, MD, MPH  
Secretary

Enclosures

State Plan Under Title XIX of the Social Security Act  
Medical Assistance Program  
State: NORTH CAROLINA

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12.a. Prescribed Drugs (continued)

- (4) DESI drugs and any identical, similar or related products or combinations of these products are not covered.
- (5) Supplemental Medicaid Drug Rebate Agreements

A rebate agreement between the State and a drug manufacturer for drugs provided to the Medicaid population, submitted to CMS on December 30, 2009 and entitled, "State of North Carolina Magellan Medicaid Administration\_National Medicaid Pooling Initiative (NMPI)," has been authorized by CMS.

The State assures compliance with Section 1927 of the Social Security Act. Drugs of federal rebate participating manufacturers are covered. Policies for the supplemental rebate program for Medicaid beneficiaries are as follows:

- a) Supplemental rebates received by the State in excess of those required under the national drug rebate agreement will be shared with the Federal government on the same percentage basis as applied under the national rebate agreement.
- b) Supplemental rebates are for the Medicaid population only and will be collected from manufacturers based on drug utilization for both fee-for-service and managed care plan participants.
- c) The State will be negotiating supplemental rebates in addition to the federal rebates provided for in Title XIX. Rebate agreements between the State and a pharmaceutical manufacturer will be separate from the federal rebates.
- d) All drugs covered by the program, irrespective of placement on the recommended drug list, will comply with the provisions of the national drug rebate agreement.
- e) The State is in compliance with reporting requirements for utilization and restrictions to coverage. Pharmaceutical manufacturers may audit utilization data. The unit rebate amount is confidential and cannot be disclosed for purposes other than rebate invoicing and verification.
- f) Participation in the Magellan Medicaid Administration\_National Medicaid Pooling Initiative (NMPI) will not limit the State's ability to negotiate state-specific supplemental rebate agreements for specific drug classes that are not part of the NMPI. These agreements must be authorized by CMS.

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TN No.: 21-0008  
Supersedes  
TN. No.: 13-042

Approval Date:

Effective Date: 04/01/2021