

STATE OF NORTH CAROLINA
DEPARTMENT OF HEALTH AND HUMAN SERVICES

ROY COOPER
GOVERNOR

KODY H. KINSLEY
SECRETARY

May 24, 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 #2024-0025

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 coverage of medically necessary prescribed drugs that are not covered outpatient drugs, including drugs authorized for import by the U.S. Food and Drug Administration (FDA) during drug shortages. The shortage must be identified by the FDA or American Society of Health-System Pharmacists. Following an approved SPA, NC Medicaid may cover imported drugs, which are ineligible for rebates, and receive federal match (Federal Financial Participation). Reimbursement will follow the State's existing approved ingredient cost and professional dispensing fee, as applicable.

The proposed effective date of the SPA is April 1, 2024.

Your approval of this state plan amendment is requested. If you have any questions or concerns, please contact me or Ashley Blango at (919) 812-6145.

Sincerely,

DocuSigned by:

06565C1C2A8F4C8...

Jay Ludlam
Deputy Secretary

Enclosures

12.a. Prescribed Drugs (continued)

- (7) Drugs of manufacturers who do not participate in the supplemental rebate program will be made available to Medicaid recipients through prior authorization (PA). Payment of supplemental rebates results in a drug being included on the PDL and/or the recommended drug list.

Certain products may be limited by on-line clinical or fiscal edits to monitor appropriate utilization and secure cost savings.

North Carolina is establishing a Preferred Drug List (PDL) with PA for drugs not included on the PDL pursuant to 42 USC § 1396r-8. PA is established for certain drug classes, particular drugs or medically accepted indication for uses and doses.

The State will appoint a Pharmacy and Therapeutics Committee or utilize the drug utilization review committee in accordance with Federal law.

The State ensures that the PDL is consistent with Medicaid goals and objectives. The State will seek continuity of care of patients who were stabilized on previously prescribed, non-preferred medications. The PDL will address needs of recipients with special and complex medical conditions.

The Program complies with PA requirements set forth in Section 1927(d)(5) of the Social Security Act pertaining to PA programs.

The State ensures that during the contracting process all payments, the methodology for determining payments, and any other information regarding costs and incentives and the PDL development are disclosed by the vendor. Information includes any and all payment from manufacturers, distributors and other entities involved in the sale of pharmaceuticals.

- (8) In accordance with 42 CFR 431.54 and the Medicaid State Plan section 4.10, the State has the authority to lock-in recipients who over-utilize Medicaid services. The State will lock Medicaid enrollees into a single pharmacy and prescriber when the Medicaid enrollee's utilization of selected medications meets the lock-in criteria approved by the North Carolina Physicians Advisory Group.
- (9) Prescribed drugs that are not covered outpatient drugs (including drugs authorized for import by the Food and Drug Administration) are covered when medically necessary during drug shortages identified by either the United States Food and Drug Administration (US FDA) or the American Society of Health-System Pharmacists (ASHP). Reimbursement should follow the State's existing approved ingredient cost and professional dispensing fee, as applicable.

TN No.: 24-0025
Supersedes
TN. No.: 10-030

Approval Date:

Effective Date: 04/01/2024