

MEDICAL ASSISTANCE
State: NORTH CAROLINA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICE

12. Prescribed drugs, dentures, and prosthetic devices; and eyeglasses prescribed by a physician skilled in diseases of the eye or by an optometrist.

a. Prescribed Drugs

Reimbursement for multiple source and other drugs shall not exceed the lowest of:

The Estimated Acquisition Cost (EAC) as described below plus a reasonable dispensing fee:

1. The provider's usual and customary charge to the general public;
2. The amount established by the North Carolina State determined upper payment limit plus a reasonable dispensing fee (this provision does not apply when there is only one enrolled pharmacy provider in the county); or
3. The CMS upper limit plus a reasonable dispensing fee.

A dispensing fee will not be paid for prescriptions refilled in the same month, whether it is the same drug or generic equivalent drug.

Multiple Source Drugs – North Carolina has implemented the list of drugs and their prices as published by the CMS and a State determined list of multiple source drugs. All drugs on this list are reimbursed at limits set by CMS or the State unless the provider writes in their own handwriting, brand name drug is “medically necessary”.

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b. North Carolina Estimated Acquisition Cost (NCEAC) For Prescribed Drugs

NCEAC is defined as the reasonable and best estimate of the price paid by providers for a drug as obtained from a manufacturer or other legal distributor. As determined by the Division, the reasonable and best estimate is based on the wholesale acquisition cost (WAC) plus 3.2% or if WAC cannot be determined, the average wholesale price (AWP) less 14.00 percent. For the AWP and WAC information, the Division uses the First Databank Price Update Service, manufacturer's price list, or other nationally published sources. Telephone contact with manufacturer or distributors may be utilized when a published source is not available.

c. Dispensing Fee

The dispensing fee for drugs is determined by the Department. The dispensing fee is paid to all providers for the initial dispensing and excludes refills within the same month for the same drug or generic equivalent. The dispensing fee is \$4.00 for brand name drugs.

The generic dispensing fee structure will be one of 4 rate tiers. An enrolled pharmacy's generic dispensing fee is based on the percentage of generic prescriptions dispensed in the previous quarter, as documented in the Medicaid Management Information System (MMIS). Based upon the previous quarterly volume of the enrolled pharmacy, as documented in MMIS, the total number of generics dispensed is divided by the total number of prescriptions billed. The dispensing fee will be as follows:

- 80% or more claims per quarter = \$9.00
- Between 75% and 79.9% claims per quarter = \$6.50
- Between 70% and 74.9% claims per quarter = \$4.40
- Less than 69.9% claims per quarter = \$4.00

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d. Physician Drug Program

Effective October 1, 2011, there will be no further adjustments except that Medicaid rates may be adjusted downward in accordance with the current year's downward adjustments to the Medicare fee schedule.

The physician drug program will be reimbursed at the Average Selling Price plus 2.39% 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 -13.61% 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.

Fee for services deemed to be associated with adequacy of access to health care services may be adjusted based on administrative review. The service must be essential to the health needs of the Medicaid recipients, no other comparable treatment available and a fee adjustment must be necessary to maintain physician participation within the geographic area at a level adequate to meet the needs of Medicaid recipients and for which no other provider is available.

All rates are published on the website at <http://www.ncdhhs.gov/dma/fee/index.htm>. Except as otherwise noted in the plan, State developed fee schedule rates are the same for both government and private providers.

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