



## North Carolina Department of Health and Human Services

Pat McCrory  
Governor

Aldona Z. Wos, M.D.  
Ambassador (Ret.)  
Secretary DHHS

September 26, 2014

Jackie Glaze  
Associate Regional Administrator  
Division of Medicaid  
Centers for Medicare and Medicaid Services  
Region IV  
Atlanta Federal Center  
61 Forsyth Street, SW Suite 4T20  
Atlanta, GA 30303-8909

SUBJECT: State Plan Amendment  
Title XIX, Social Security Act  
Transmittal #2014-047

Dear Ms. Glaze:

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 pages are Attachment 4.19-B Section 12, Page 1a.

This state plan change will allow Medicaid to reimburse for prescribed drugs using an actual acquisition cost model. This falls under the "PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICE — Prescribed drugs, dentures, and prosthetic devices; and eyeglasses prescribed by a physician skilled in disease of the eye or by an optometrist" section of the state plan. This pricing is enacted by Session Law, 2014-100, Section 12H.8.

This amendment is effective January 1, 2015.

Your approval of this state plan amendment is requested. If you have any questions or concerns, please contact Teresa Smith or me at 919-855-4116.

Sincerely,

A handwritten signature in cursive script, appearing to read "Aldona Z. Wos".

Aldona Z. Wos, M.D.

Enclosures

MEDICAL ASSISTANCE  
State: NORTH CAROLINA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICE

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

b. North Carolina Average Acquisition Cost (AAC) For Prescribed Drugs

As determined by the North Carolina General Assembly, effective January 1, 2015, North Carolina will base brand and generic drug ingredient pricing on an average acquisition cost (AAC). The AAC is defined as the price paid by pharmacies based on an average of actual acquisition costs determined by a survey of retail pharmacy providers. The National Average Drug Acquisition Cost (NADAC) pricing will be used for AAC when available. If NADAC is unavailable, then the AAC will be defined as Wholesale Acquisition Cost (WAC) plus 2.7%. For the 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. Professional Dispensing Fee

The professional 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 professional dispensing fee is \$14.00 for preferred brands and generics and \$13.00 for non-preferred brands.

TN No.:  
Supersedes  
TN No.:

Approval Date:

Effective Date: 01/01/2015