



North Carolina Department of Health and Human Services
Division of Medical Assistance

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Beverly Eaves Perdue, Governor
Lanier M. Cansler, Secretary

Craig L. Gray, MD, MBA, JD, Director

MEMORANDUM

TO: DMA Management & State Plan E-mail Subscribers

FROM: Teresa J. Smith, State Plan Coordinator

SUBJECT: Update to State Plan for Medical Assistance (200)

DATE: March 22, 2011

The following changes were made in the NC Medicaid State Plan manual. You may view the Plan on DMA's website at <http://www.ncdhhs.gov/dma/plan/index.htm>.

SPA# 10-024 (Prescribed Drugs) - This state plan change will provide cost savings by allowing the Department to:

1. Prevent substitution of a generic equivalent drug when the net cost to the State of the brand drug equivalent, after rebates, is less than the cost of the generic equivalent; and
2. Impose prior authorization requirements on brand-name drugs for which the phrase "medically necessary" is written on the prescription.

OLD PAGE(S): Attachment 3.1-A.1, Pages 14 and 14a

NEW PAGE(S): Attachment 3.1-A.1, Pages 14 and 14a

SPA# 10-038 (Tribal Consultation) - This state plan change will provide The Indian Health Services Act, permanently reauthorized in the Affordable Health Care Act of 2010, includes provisions requiring States to develop a State Plan Amendment, in consultation with the Indian Tribes(s), that describes the process through which the state will seek advice on a regular, ongoing basis from designees of the Indian health programs and Urban Indian Organizations concerning Medicaid and CHIP matters having a direct effect on Indians, Indian health programs or Urban Indian Organizations. The consultation may include the appointment of an advisory committee or a designee of these IHS (including those programs operated by federally-recognized Tribes under P.L. 93-638 authority) and Urban Organizations to the State medical care advisory committee required by Federal regulations at 42 CFR 431.12, both, or another method.

OLD PAGE(S): N/A

NEW PAGE(S): Pages 9-I, 9-II, 9-III, and 9-IV

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