



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

Pat McCrory  
Governor

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

Carol H. Steckel, MPH  
Director

MEMORANDUM

TO: DMA Management & State Plan E-mail Subscribers  
FROM: Teresa J. Smith, Administrative Service Manager  
SUBJECT: Update to State Plan for Medical Assistance (239)  
DATE: March 1, 2013

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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# 12-020 (Hospital DRG Reimbursement)** - The purpose of this state plan amendment is to allow the Division to utilize the most current DRG Grouper version in preparation of ICD – 10 implementation. The SPA will also provide a methodology to establish a rate for a new hospital or a hospital that has a change in ownership. Finally, the State Plan Amendment allows for an updating of inpatient rates for Critical Access Hospitals to improve cash flow through the year and reduce cost settlements at the end of the cost reporting period. None of these changes have an impact on the state or federal budgets.

OLD PAGE(S): Attachment 4.19-A, Page 2, Attachment 4.19-A, Page 4, Attachment 4.19-A, Page 7, and Attachment 4.19-A, Page 8.

NEW PAGE(S): Attachment 4.19-A, Page 2, Attachment 4.19-A, Page 4, Attachment 4.19-A, Page 7, and Attachment 4.19-A, Page 8.

**SPA# 12-021 (Pharmacy)** - This purpose of this amendment allows us to implement the requirements of Section 175 of the Medicare Improvements for Patients and Providers Act (MIPPA) of 2008. MIPPA requires Medicare prescription drug plans and Medicare Advantage plans to include benzodiazepines and barbiturates in their formularies for prescriptions dispensed to Medicare eligibles beginning January 1, 2013. Barbiturates will be required to be included in Medicare formularies for epilepsy, cancer, or chronic mental health disorders. This SPA removes Medicaid coverage of benzodiazepines and barbiturates for dually eligible Medicare-Medicaid beneficiaries, since those drugs are now covered by Medicare.

OLD PAGE(S): Attachment 3.1-A.1, Page 14h and Attachment 3.1-B.1, Page 3.

NEW PAGE(S): Attachment 3.1-A.1, Page 14h and Attachment 3.1-B.1, Page 3.

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www.ncdhhs.gov • www.ncdhhs.gov/dma  
Tel 919-855-4100 • Fax 919-733-6608

Location: 1985 Umstead Drive • Dorothea Dix Hospital Campus • Raleigh, NC 27603  
Mailing Address: 2501 Mail Service Center • Raleigh, NC 27699-2501  
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