

Department of Health & Human Services
Centers for Medicare & Medicaid Services
61 Forsyth St., Suite 4T20
Atlanta, Georgia 30303-8909



October 21, 2011

Craigan Gray, MD, MBA, JD
Director
Division of Medical Assistance
North Carolina Department of Health and Human Services
2501 Mail Service Center
Raleigh, North Carolina 27699-2501

Attention: Teresa Smith

RE: North Carolina (NC) Title XIX State Plan Amendment, Transmittal #11-017

Dear Dr. Gray:

We have reviewed the proposed amendment to the NC Medicaid State Plan that was submitted under transmittal number 11-017 and received in the Atlanta Regional Office on July 26, 2011.

This amendment is required due to the State administrative decision to adjust the supplemental page for Targeted Case Management for adults and children At Risk for Abuse, Neglect or Exploitation (AARCM). The State Plan change is to adjust the SFY 2012 rates by a negative 2.62 percent to yield a 12 month 2 percent reduction in the 8 remaining months of this SFY. For SFY 2013, the rates will be adjusted such that they will equal 98 percent of the rate in effect July 1, 2011.

The payment methodology associated with NC 11-017 was sunset as of March 1, 2011 and is currently being evaluated under State Plan NC 10-035B which is currently on an off the clock status while NC prepares the demonstration. CMS strongly urges NC to work expeditiously to provide an acceptable cost finding methodology to ensure that expenditures made on behalf of the Medicaid program are appropriately captured and able to serve as the basis for Federal Financial Participation.

Based on the information provided, Medicaid State Plan Amendment 11-017 was approved on October 20, 2011. The effective date of this amendment is November 1, 2011. We are enclosing the approved form HCFA-179 and plan page.

If you have any questions or need any further assistance, please contact Yvette Moore at (404) 562-7327.

Sincerely,

/s/

Jackie Glaze
Associate Regional Administrator
Division of Medicaid & Children's Health Operations

Enclosures