

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



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October 31, 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 (SPA), Transmittal #11-037

Dear Dr. Gray:

We have reviewed the proposed amendment to the NC Medicaid State Plan that was submitted under transmittal number 11-037 and received in the Atlanta Regional Office on August 2, 2011.

This amendment is required to adjust the rates for home health and private duty nursing. The State Plan change is to adjust the SFY 2012 rates by a negative 2.67 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.

Based on the information provided, Medicaid SPA 11-037 was approved on October 31, 2011. The effective date of this amendment is November 1, 2011. We are enclosing the approved form HCFA-179 and plan pages.

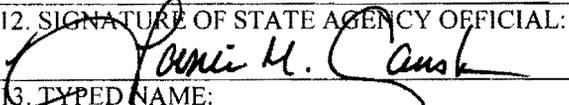
If you have any questions or need any further assistance, please contact Yvette Moore at (404) 562-7327.

Sincerely,

A handwritten signature in cursive script that reads "Jackie Glaze".

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

Enclosures

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>		1. TRANSMITTAL NUMBER: <b>11-037</b>	2. STATE <b>NC</b>
<b>FOR: HEALTH CARE FINANCING ADMINISTRATION</b>		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE <b>October 1, 2011</b>	
5. TYPE OF PLAN MATERIAL (Check One): <input type="checkbox"/> NEW STATE PLAN <input checked="" type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input type="checkbox"/> AMENDMENT COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION:  42 CFR 447 70		7. FEDERAL BUDGET IMPACT: a. FFY 2012 (\$2,045,797) b. FFY 2013 \$1,529,485	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  Attachment 4.19-B, Section 8, Page 1, Attachment 4.19-B, Supplement 1, Page 1 and Attachment 4.19-B, Supplement 1, Page 1c.		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):  Attachment 4.19-B, Section 8, Page 1 and Attachment 4.19-B, Supplement 1, Page 1	
10. SUBJECT OF AMENDMENT:  Private Duty Nursing and Home Health			
11. GOVERNOR'S REVIEW (Check One): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: SECRETARY <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO:	
13. TYPED NAME: Lanier M. Cansler		Office of the Secretary Department of Health and Human Services 2001 Mail Service Center Raleigh, North Carolina 27699-2001	
14. TITLE: Secretary			
15. DATE SUBMITTED: 7/29/11			
<b>FOR REGIONAL OFFICE USE ONLY</b>			
17. DATE RECEIVED: 08/02/11		18. DATE APPROVED: 10/31/11	
<b>PLAN APPROVED - ONE COPY ATTACHED</b>			
19. EFFECTIVE DATE OF APPROVED MATERIAL: 11/01/11		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: Jackie Glaze		22. TITLE: Associate Regional Administrator Division of Medicaid & Children Health Opns	
23. REMARKS: Approved with the following changes to item 4 as authorized by State Agency on email dated 10/11/11:  Blocked #4 changed to read: November 1, 2011.			

State Plan Under Title XIX of the Social Security Act  
Medical Assistance Program  
State: North Carolina

Payments for Medical and Remedial Care and Services

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Payment for Home Health Services:

FY 2003 – No adjustment for other services.

FY 2005 and 2006 – No rate increase from the June 30, 2005 rate for all Medicaid private and public providers with the following exceptions: federally qualified health clinics, rural health centers, state institutions, outpatient hospital, pharmacy and the non-inflationary components of the case-mix reimbursement system for nursing facilities

NC General Assembly legislation mandates that effective July 1, 2005, reimbursement rates for these programs (Home Health) for the state fiscal years 2005- 2006 and 2006-2007 will remain at the rate in effect as of June 30, 2005.

FY 2007 - Effective 1/1/2007 inflationary increases were applied to the following programs:

Home Health received an increase of 2.98%.

FY 2009-2010 – No inflationary adjustment and 5.73% rate reduction (annualized over nine months) for Home Health.

FY 2010-2011- No inflationary or rate adjustments for Home Health.

FY 2012 – Rates will be frozen at the rate in effect on June 30, 2011. Effective November 1, 2011, existing rates are adjusted by a negative 2.67% to yield a twelve (12) month two percent (2%) reduction in the nine (9) remaining months of this State Fiscal Year.

FY 2013 – Effective July 1, 2012, the rates will be adjusted such that they will equal 98% of the rate in effect July 1, 2011. There will be no further annual adjustments this State Fiscal Year.

Reference: Attachment 4.19-B, Section 7, Pages 1- 4

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TN No: 11-037  
Supersedes  
TN No: 08-019

Approval Date: 10-31-11

Eff. Date: 11/1/2011

State Plan Under Title XIX of the Social Security Act  
Medical Assistance Program  
State: North Carolina

Payments for Medical and Remedial Care and Services

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Payment for Private Duty Nursing Services:

FY 2003 – A 5% rate reduction is applied to Private Duty Nursing.

FY 2005 and 2006 – No rate increase from the June 30, 2005 rate for all Medicaid private and public providers with the following exceptions: federally qualified health clinics, rural health centers, state institutions, outpatient hospital, pharmacy and the non-inflationary components of the case-mix reimbursement system for nursing facilities

NC General Assembly legislation mandates that effective July 1, 2005, reimbursement rates for Private Duty Nursing for the state fiscal years 2005- 2006 and 2006-2007 will remain at the rate in effect as of June 30, 2005.

FY 2007 - Effective 1/1/2007 an inflationary increase of 4.25% is applied to Private Duty Nursing services.

FY 2009-2010 – No inflationary adjustment and 5.73% rate reduction (annualized over nine months) for Private Duty Nursing.

FY 2010-2011- No inflationary or rate adjustments are made for Private Duty Nursing.

FY 2012 – Rates will be frozen at the rate in effect on June 30, 2011. Effective November 1, 2011, existing rates are adjusted by a negative 2.67% to yield a twelve (12) month two percent (2%) reduction in the nine (9) remaining months of this State Fiscal Year.

FY 2013 – Effective July 1, 2012, the rates will be adjusted such that they will equal 98% of the rate in effect July 1, 2011. There will be no further annual adjustments this State Fiscal Year.

Reference: Attachment 4.19-B, Section 8, Page 1

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TN No: 11-0037  
Supersedes  
TN No: NEW

Approval Date: 10-31-11

Eff. Date: 11-1-11

MEDICAL ASSISTANCE  
State: NORTH CAROLINA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICE

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8. Private Duty Nursing Services. (PDN)
- A. Private duty nursing services are reimbursed at the lower of billed customary charges or an established hourly rate. Effective October 1, 2002, this rate, is adjusted annually by the percentage change in the rate for a skilled nursing visit by a home health agency. Effective November 1, 2010, the RN rate is paid at Fee Schedule and will be billed with a code and modifier as defined in Clinical Policy, Attachment 3.1-A-1. Notwithstanding any other provision, if specified these rates will be adjusted as shown on Supplement 1 to the 4.19-B section of the state plan. Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers. The agency's fee schedule rate is effective October 1, 2009 and is effective for services provided on or after this date. All rates are published on the agency's fee schedule, <http://www.ncdhhs.gov/dma/fee/index.htm>. Except as otherwise noted in the plan, this fee schedule rate shall be inflated forward annually by the Medicare Market Basket Index.
- B. Effective October 1, 1993, payment for Private Duty Nursing Medical Supplies, except those related to provision and use of DME shall be reimbursed at the lower of a provider's billed customary charges or the maximum fee established for certified home health agencies. If a new item is not covered by the DME program and Medicare allowable is available, the rate will be set at the Medicare allowable amount available to the Division of Medical Assistance. Fees will be established based on average, reasonable charges if a Medicare allowable amount cannot be obtained for a particular supply item. The Medicare allowable amounts will be those amounts based on the Market Basket Index available to the Division of Medical Assistance as of July 1 of each year.

TN. No. 11-037  
Supersedes  
TN. No. 03-022

Approval Date: 10-31-11

Eff. Date: 11/01/11