

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



November 4, 2011

Craigian 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 #11-039

Dear Dr. Gray:

We have reviewed the proposed amendment to the NC Medicaid State Plan that was submitted under transmittal number 11-039 and received in the Atlanta Regional Office on August 9, 2011.

This amendment is required due to the State administrative decision to adjust the supplemental page for SFY 2012-2013 rates for extended services to Nurse Midwives, Certified Registered Nurse Anesthetists Services (CRNA) and Anesthesiologist Assistant Services. The State Plan change is to adjust the state fiscal year (SFY) 2012 rates by a negative 2.67 percent to yield a 12 month 2 percent reduction in the 9 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 11-039 is currently being evaluated under State Plan NC 10-035B. NC 10-035B provides an upper payment limit (UPL) demonstration for clinic services through the health departments and is currently in off-the-clock status while NC prepares the demonstration.

Based on the information provided, Medicaid State Plan Amendment 11-039 was approved on November 2, 2011. The effective date of this amendment is November 1, 2011. We are enclosing the approved form HCFA-179 and plan page.

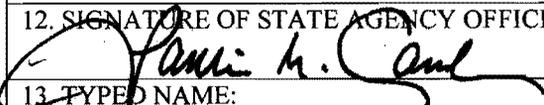
If you have any questions or need any further assistance, please contact Yvette Moore at (404) 562-7327.

Sincerely,

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

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

Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: 11-039	2. STATE NC
FOR: HEALTH CARE FINANCING ADMINISTRATION		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 October 1, 2011	
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 447.201		7. FEDERAL BUDGET IMPACT: a. FFY 2012 (\$178,712) b. FFY 2013 \$0	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B, Supplement 1, Page 1e		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-B, Supplement 1, Page 1e	
10. SUBJECT OF AMENDMENT: Nurse Mid-Wives, CRNAs, and Anesthesiologist Assistant Services			
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: 8/2/11			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: 08/09/11		18. DATE APPROVED: 11/02/11	
PLAN APPROVED - ONE COPY ATTACHED			
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 emails dated: 09/06/11 and 10/11/11: Blocked #4 changed to read: November 1, 2011. Blocked #8 changed to read: Attachment, Section 17, pages 1 and 2; Attachment 4.19-B Supplement 1 page 1e. Blocked #9 changed to read: Attachment, Section 17, pages 1 and 2; Attachment 4.19-B Supplement 1 page 1e.			

State Plan Under Title XIX of the Social Security Act
Medical Assistance
State NORTH CAROLINA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICE

17. A. Nurse-Midwife Services.

Payments for Nurse-Midwife Services covered under Attachment 3.1-A.1 are equal to the lower of the submitted charge or the appropriate fee from the North Carolina Medicaid Nurse-Midwife Services Fee Schedule.

The agency's rates were set as of November 1, 2011 and are effective on or after that date. Rates for Nurse-Midwife Services are adjusted annually in accordance with the physician services fee schedule. All rates are published on the website at <http://www.ncdhhs.gov/dma/fee/index.htm>. Except as otherwise noted in the plan, State developed fee schedule rates are the same for both governmental and private providers.

(a) Effective November 1, 2011 Nurse-Midwife Services rates shall be set at 97.33% percent of North Carolinas' Medicaid Physician Services Fee Schedule in effect on October 1 of 2009. Effective July 1, 2012 Nurse-Midwife Services rates shall be set at 98% percent of North Carolinas' Medicaid Physician Services Fee Schedule in effect on October 1 of 2009.

(b) Notwithstanding any other provision, if specified, these rates will be adjusted as shown on Attachment 4.19B, Supplement 3, Page 1x of the State Plan.

(2) Enhanced Payments for Pregnancy Medical Home Services will be made to licensed nurse midwives for services provided by a Pregnancy Medical Home provider as specified in Attachment 3.1-B, Page 7(a) and Attachment 3.1-F. Reimbursement will be as described in Attachment 4.19-B Section 5, Page 4 of the State Plan. There shall be no cost settlement for any provider in any setting for these services reimbursed at the enhanced rates.

State Plan Under Title XIX of the Social Security Act
Medical Assistance
State NORTH CAROLINA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICE

B. Certified Registered Nurse Anesthetists Services (CRNA's).

Payments for Certified Registered Nurse Anesthetist Services covered under Attachment 3.1-A.1 are equal to the lower of the submitted charge or the appropriate fee from the North Carolina Medicaid CRNA Fee Schedule. Rates are adjusted annually in accordance with the physician services fee schedule.

The agency's rates were set as of November 1, 2011 and are effective on or after that date. All rates are published on the website at <http://www.ncdhhs.gov/dma/fee/index.htm>. Except as otherwise noted in the plan, State developed fee schedule rates are the same for both governmental and private providers.

(a) Effective November 1, 2011 CRNA's rates shall be set at 97.33% percent of North Carolinas' Medicaid Physician Services Fee Schedule in effect on October 1 of 2009. Effective July 1, 2012 CRNA's rates shall be set at 98% percent of North Carolinas' Medicaid Physician Services Fee Schedule in effect on October 1 of 2009.

(b) Notwithstanding any other provision if specified, these rates will be adjusted as shown on Attachment 4.19-B, Supplement 1, Page 1e of the State Plan.

C. Anesthesiologist Assistant Services.

Effective, October 1, 2008, fees for anesthesiologist assistants (AAs) are established at 50% of Anesthesiologist rates for DMA approved procedures (CPT and HCPCS). Anesthesiologists are reimbursed the same as physician services, which are based on the current Medicaid Physician Fee Schedule. Covered Medicaid services are described in Attachment 3.1-A.1.

The Division of Medical Assistance rates were set as of October 1, 2008 and are effective on or after that date. All rates are published on the agency's website, <http://www.ncdhhs.gov/dma/fee/fee.htm>. Except as otherwise noted in the plan, State developed fee schedule rates are the same for both governmental and private providers.

In subsequent years, these rates will be adjusted as the Anesthesiologists rates are adjusted. Notwithstanding any other provision if specified, these rates will be adjusted as shown on Attachment 4.19-B, Supplement 3, Page 1x of the State Plan.

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

Payments for Medical and Remedial Care and Services

Payment for Nurse-Midwife, Certified Registered Nurse Anesthetist (CRNA) & Anesthesiologist Assistants:

SFY 2004 – No adjustment for Nurse-Midwives, CRNA and AA fees.

SFY 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 Nurse-Midwife for the state fiscal years 2005-2006 and 2006-2007 will remain at the rate in effect as of June 30, 2005 except Medicaid rates may be adjusted downward in accordance with the current year's downward adjustments to the Medicare fee schedule.

SFY 2007 - Effective January 1, 2007 an inflationary increase of 5.171% was applied.

SFY 2010 –The rates for SFY 2010 are frozen as of the rates in effect at July 1, 2009, except Medicaid rates may be adjusted downward in accordance with the current years downward adjustments to the Medicare fee schedule. Effective October 1, 2009, an overall negative rate adjustment of 4.90% was applied. There will be no further annual rate adjustment for SFY 2010.

SFY 2011 – The rates for SFY 2011 will be frozen at the rates in effect on June 30, 2010.

SFY 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.

SFY 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 except that Medicaid rates may be adjusted downward in accordance with the current years downward adjustments to the Medicare fee schedule.

Reference: Attachment 4.19-B, Section 17, pages 1 and 2

TN-No: 11-039
Supersedes
TN- No. NEW

Approval Date: 11-02-11

Eff. Date: 11/01/2011