

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



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November 4, 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 #11-044

Dear Dr. Gray:

We have reviewed the proposed amendment to the NC Medicaid State Plan that was submitted under transmittal number 11-044 and received in the Atlanta Regional Office on August 18, 2011.

This amendment is required to freeze the rates for state fiscal year (SFY) 2012 at the rates in effect July 1, 2011 for adult care homes.

While we are approving this State plan amendment, we want to remind the State that a sunset of coverage and reimbursement is still effective February 29, 2012. Also, we want to remind the State that the approval of this amendment does not in any way address the State's independent obligations under the Americans with Disabilities Act or the Supreme Court's Olmstead decision.

Based on the information provided, Medicaid SPA 11-044 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.

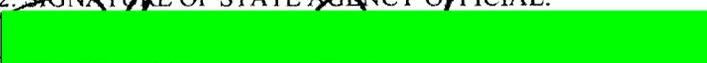
If you have any questions or need any further assistance, please contact Yvette Moore at (404) 562-7327.

Sincerely,

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

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

Enclosures

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>		1. TRANSMITTAL NUMBER: <b>11-044</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 ( <i>Check One</i> ): <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 ( <i>Separate Transmittal for each amendment</i> )			
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 440.167		7. FEDERAL BUDGET IMPACT: a. FFY 2012 (\$ 0) b. FFY 2013 (\$ 0)	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: <b>Attachment 4.19-B, Supplement 2, Page 1</b>		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT ( <i>If Applicable</i> ): <b>Attachment 4.19-B, Supplement 2, Page 1</b>	
10. SUBJECT OF AMENDMENT: <b>Adult Care Homes – Personal Care Services</b>			
11. GOVERNOR'S REVIEW ( <i>Check One</i> ): <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: Office of the Secretary Department of Health and Human Services 2001 Mail Service Center Raleigh, North Carolina 27699-2001	
13. TYPED NAME: Lanier M. Cansler			
14. TITLE: Secretary			
15. DATE SUBMITTED: <b>8/15/11</b>			
<b>FOR REGIONAL OFFICE USE ONLY</b>			
17. DATE RECEIVED: <b>08/18/11</b>		18. DATE APPROVED: <b>11/02/11</b>	
<b>PLAN APPROVED – ONE COPY ATTACHED</b>			
19. EFFECTIVE DATE OF APPROVED MATERIAL: <b>11/01/11</b>			
21. TYPED NAME: Jackie Glaze		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 Personal Care (Adult Care Home):

FY 2003 – No adjustment.

FY 2004 – No adjustment for Personal Care (Adult Care Homes) effective October 1, 2003.

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 noninflationary components of the case-mix reimbursement system for nursing facilities.

NC General Assembly legislation mandates that effective July 1, 2005, reimbursement rates for Personal Care (Adult Care Home) 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 July 1, 2007 an inflationary increase of 2.64% was applied.

FY 2009-2010 – No inflationary adjustment and 5.02% rate reduction (annualized over nine months) for Personal Care (Adult Care Home).

FY 2010 – 2011 – No inflationary or rate adjustment for Personal Care (Adult Care Home).

FY 2011-2012 - Effective July 1, 2011, rates will remain frozen at the rate in effect on June 30, 2011.

This methodology ends February 29, 2012.

Reference: Attachment 4.19-B, Section 23, Page 6.

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TN. No: 11-044  
Supersedes  
TN. No: 09-008

Approval Date: 11-02-11

Eff. Date 11/01/2011