



Center for Medicaid and CHIP Services

July 27, 2012

Michael Watson
Director
North Carolina Department of Health and Human Services
Division of Medical Assistance
2501 Mail Service Center
Raleigh, NC 27699-2501

Dear Mr. Watson:

Your title XXI Children's Health Insurance Program (CHIP) State plan amendment (SPA) number 10, submitted on October 27, 2011, has been approved. Through this SPA, the State extends the tribal consultation process in the Medicaid program to CHIP and changes the State's benefit package from a benchmark plus additional coverage to a benefit package comparable to the State's Medicaid benefit package with the exception of long term care services, EPSDT, non-emergency transportation, and Medicaid dental benefits. In addition, this SPA decreases copayments for prescription drugs, implements a copayment for approved over-the-counter medications, adopts the lawfully residing eligibility option in Section 214 of the Children's Health Insurance Program Reauthorization Act (CHIPRA), comes into compliance with the dental requirements in Section 501 of CHIPRA, and comes into compliance with the mental health and substance abuse treatment parity requirements in section 502 of CHIPRA. The SPA has an effective date of October 1, 2011.

The Centers for Medicare & Medicaid Services (CMS) is developing regulations to implement the CHIPRA requirements. After final regulations become effective, States may need to demonstrate compliance with the new regulations. CHIP State plan provisions approved prior to the issuance of the final regulations may need to be revised and resubmitted for approval to ensure that the CHIP State plan complies with the final published regulations.

Your title XXI project officer is Ms. Amy Lutzky. She is available to answer questions concerning this amendment and other CHIP-related issues. Ms. Lutzky's contact information is as follows:

Centers for Medicare & Medicaid Services
Center for Medicaid and CHIP Services
Mail Stop S2-01-16
7500 Security Boulevard
Baltimore, MD 21244-1850
Telephone: (410) 786-0721
Facsimile: (410) 786-5943
E-mail: Amy.lutzky@cms.hhs.gov

Official communications regarding program matters should be sent simultaneously to Ms. Lutzky and to Ms. Jackie Glaze, Associate Regional Administrator in our Atlanta Regional Office. Ms. Glaze's address is:

Centers for Medicare & Medicaid Services
Division of Medicaid and Children's Health Operations
61 Forsyth Street, SW, Suite 4T20
Atlanta, GA 30303-8909

If you have additional questions, please contact Ms. Victoria Wachino, Director, Children and Adults Health Programs Group at (410) 786-5647.

We look forward to continuing to work with you and your staff.

Sincerely,

/s/

Cindy Mann
Director

cc: Jackie Glaze, ARA, CMS Region IV