

7. Home Health (continued)

c. Medical supplies, equipment, and appliances suitable for use in the home.

1) Medical Supplies

Medical supplies are covered when medically necessary and suitable for use in the home in accordance with 42 CFR 440.70(a)(3). Medical supplies must be prescribed by a practitioner licensed according to North Carolina General Statute Chapter 90 under approved plan of care. These items will be covered when furnished by a Medicare Certified Home Health Agency, or by one of the following: an ME supplier; a PDN provider when providing PDN services (for supplies needed by a Division of Medical Assistance approved PDN patient) or by the PDN provider for medically necessary incontinent, ostomy and urological supplies (when no home health provider is available); a local lead agency for the Community Alternatives Program (CAP) for adults with disabilities and persons with mental retardation or developmental disabilities; or a local lead agency that provides case management for the Community Alternative Program for children.

The “local lead agency” is the agency/facility in the county or counties that coordinates and manages the CAP program.

7. Home Health (*continued*)

c. Medical supplies, equipment, and appliances suitable for use in the home.

2) Medical Equipment

Medically necessary medical equipment (ME) is covered by the Medicaid program when prescribed by a licensed healthcare practitioner and supplied by a qualified ME provider in accordance with 42 CFR 440.70(c)(3). Prior approval must be obtained from the Division of Medical Assistance, or its designated agent.

To be a qualified provider, an entity must possess a state business license and a Board of Pharmacy permit, and be certified to participate in Medicare as a ME supplier, or be a Medicaid enrolled home health agency, a state agency, a local health department, a local lead agency for the Community Alternatives Program (CAP) for adults with disabilities and persons with mental retardation or developmental disabilities, or a local lead agency that provides case management for the Community Alternative Program for children.

The “local lead agency” is the agency/facility in the county or counties that coordinates and manages the CAP program.

Payment for medical equipment is limited to the official, approved ME list established by the Division of Medical Assistance. Additions, deletions or revisions to the ME list are approved by the Director of the Division of Medical Assistance upon recommendation of DMA staff. Only items determined to be medically necessary, effective and efficient are covered.

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 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 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).

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

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