

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop 52 26-12
Baltimore, Maryland 21244-1850



Center for Medicaid and State Operations (CMSO)

APR 8 2010

Mr. Lanier M. Cansler
Secretary
North Carolina Department of Health and Human Services
2001 Mail Service Center
Raleigh, North Carolina 27699-2001

RE: SPA NC 10-001

Dear Secretary Cansler:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 10-001. Effective January 8, 2010 this amendment modifies the State's reimbursement methodology for setting payment rates for inpatient hospital services. Specifically, the amendment removes sunset language for institutions for mental disease disproportionate share hospital payments.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a) (13), 1902(a) (30), and 1903(a) of the Social Security Act and the implementing Federal regulations at 42 CFR Part 447. We have found that the proposed changes in payment methodology comply with applicable requirements and therefore have approved them with an effective date of July 1, 2009. We are enclosing the CMS-179 and the amended approved plan pages.

If you have any questions, please call Stanley Fields at (502) 223-5332 or Venesa Day at 410-786-8281.

Sincerely

//s//

Cindy Mann
Director, CMSO

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: 10-001	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 January 8, 2010	
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 Subpart C		7. FEDERAL BUDGET IMPACT: a. FFY 2010 \$0.00 b. FFY 2011 \$0.00	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-A, Page 17		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-A, Page 17	
10. SUBJECT OF AMENDMENT: Institutions for Mental Disease (DSH)			
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: //s//		16. RETURN TO: Office of the Secretary Department of Health and Human Services 2001 Mail Service Center Raleigh, NC 27699-20014	
13. TYPED NAME: Lanier M. Cansler			
14. TITLE: Secretary			
15. DATE SUBMITTED: 01-15-10			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: 01-15-10		18. DATE APPROVED: 04-08-10	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: 01-08-10		20. SIGNATURE OF REGIONAL OFFICIAL: //s//	
21. TYPED NAME: Cindy Mann		22. TITLE: Director	
23. REMARKS:			

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

Payments for Medical and Remedial Care and Services: Inpatient Hospital
STATE-OWNED INSTITUTIONS FOR MENTAL DISEASES DSH PAYMENT

(f) Hospitals operated by the Department of Mental Health that qualify for disproportionate share hospital status under Subparagraph (d)(5) will be eligible for disproportionate share payments, in addition to other payments made under the North Carolina Medicaid Hospital reimbursement methodology, based on bed days of service to low income persons.

- (1) Payment shall equal the facility-specific average per diem cost from its most recent cost report available at the time of data collection multiplied by bed days of service to low income persons.
- (2) "Bed days of service to low income persons" is defined as the number of bed days provided to individuals that have been determined by the hospital as:
 - i. Patients who do not possess the financial resources to pay portions or all charges associated with care provided; and
 - ii. Who do not possess health insurance which would apply to the service for which the individual sought treatment; or
 - iii. Who have insurance but are not covered for the particular service rendered or for the procedure or treatment.
- (3) Payments to Institutes for Mental Diseases under Paragraph (f) shall not exceed the State's DSH limit for Institutes for Mental Disease.

TN. No: 10-001
Supersedes
TN. No: 08-012

Approval Date: 04-08-10

Eff. Date 01/08/10

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

Payments for Medical and Remedial Care and Services: Inpatient Hospital
STATE-OWNED INSTITUTIONS FOR MENTAL DISEASES DSH PAYMENT

(f) Hospitals operated by the Department of Mental Health that qualify for disproportionate share hospital status under Subparagraph (d)(5) will be eligible for disproportionate share payments, in addition to other payments made under the North Carolina Medicaid Hospital reimbursement methodology, based on bed days of service to low income persons.

- (1) Payment shall equal the facility-specific average per diem cost from its most recent cost report available at the time of data collection multiplied by bed days of service to low income persons.
- (2) "Bed days of service to low income persons" is defined as the number of bed days provided to individuals that have been determined by the hospital as:
 - i. Patients who do not possess the financial resources to pay portions or all charges associated with care provided; and
 - ii. Who do not possess health insurance which would apply to the service for which the individual sought treatment; or
 - iii. Who have insurance but are not covered for the particular service rendered or for the procedure or treatment.
- (3) Payments to Institutes for Mental Diseases under Paragraph (f) shall not exceed the State's DSH limit for Institutes for Mental Disease.

TN. No: 10-001
Supersedes
TN. No: 08-012

APR - 8 2010
Approval Date: _____

Eff. Date 01/08/10