

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
61 Forsyth Street SW, Suite 4T20  
Atlanta, Georgia 30303



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May 18, 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

Attn: Teresa Smith

Re: North Carolina State Plan Amendment 10-008

Dear Dr. Gray:

We have reviewed the proposed amendment to the North Carolina Medicaid State Plan NC 10-008 that was received in the Regional Office on May 27, 2010. The amendment was submitted to reimburse for Early Intervention Rehabilitative Services under the rehabilitative option within the Early Periodic, Screening, Diagnostic, and Treatment section of the State plan.

The State Plan Amendment revised the coverage section for the Early Intervention Rehabilitative Services for Infants and Toddlers for children age birth to age 3 in order to correct and reduce identified deficits in the cognitive, communicative, physical, socio-emotional or adaptive developmental status. The amendment clarifies the service definitions, identifies the practitioners of the services and the qualifications including licensure, certification, registration, education and experience and training.

Financial

The submitted reimbursement page (4.19B, Section 4, Page 2 and 2a) references the Local Health Department (LHD) cost reconciliation methodology. While CMS has questions regarding that methodology they are currently being addressed as part of our review of NC 10-035B.

Based on the information provided, we are now ready to approve the Medicaid State Plan Amendment NC 10-008. This SPA was approved on May 16, 2011. The effective date of this amendment is July 1, 2010. We are enclosing the approved form HCFA-179 and plan pages.

Dr. Craigan Gray  
Page 2

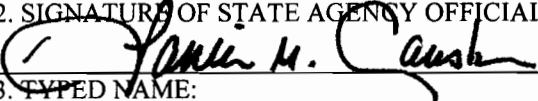

If you have any questions, please contact Elaine Elmore, at 404-562-7408, or Yvette Moore at 404-562-7327.

Sincerely,

A handwritten signature in black ink that reads "Jackie Glaze". The signature is written in a cursive style with a large, prominent initial "J".

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

Enclosures

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>		1. TRANSMITTAL NUMBER:  <b>10-008</b>	2. STATE  <b>NC</b>
		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
FOR: HEALTH CARE FINANCING ADMINISTRATION		4. PROPOSED EFFECTIVE DATE  <b>July 1, 2010</b>	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES			
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 430.130(d)		7. FEDERAL BUDGET IMPACT: a. FFY 2010 \$ 52,355 b. FFY 2011 \$212,713	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 3.1-A.1, Page 7c.14, Attachment 3.1-A.1, Page 7g.1, Attachment 3.1-A.1, Page 7g.2, Attachment 3.1-A.1, Page 7g.3, Attachment 3.1-A.1, Page 7g.4, Attachment 3.1-A.1, Page 7g.5, Attachment 3.1-A.1, Page 7g.6, Attachment 3.1-A.1, Page 7g.6a, Attachment 4.19-B, Section 4, Page 2, and Attachment 4.19-B, Section 4, Page 2a		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 3.1-A.1, Page 7g.1, Attachment 3.1-A.1, Page 7g.2, Attachment 3.1-A.1, Page 7g.3, Attachment 3.1-A.1, Page 7g.4, Attachment 3.1-A.1, Page 7g.5, Attachment 3.1-A.1, Page 7g.6, Attachment 3.1-A.1, Page 7g.6a, Attachment 4.19-B, Section 4, Page 2, and Attachment 4.19-B, Section 4, Page 2a	
10. SUBJECT OF AMENDMENT:  Early Intervention Rehabilitative 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:  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: 5/25/10			
<b>FOR REGIONAL OFFICE USE ONLY</b>			
17. DATE RECEIVED: 05/27/10		18. DATE APPROVED: 05/16/11	
<b>PLAN APPROVED - ONE COPY ATTACHED</b>			
19. EFFECTIVE DATE OF APPROVED MATERIAL: 07/01/10		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: Jackie Glaze		22. TITLE: Associate Regional Administrator Division of Medicaid & Children's Health Opns	
23. REMARKS:  Approved with the following changes to items 8 and 9 as authorized by State Agency on emails dated 04-07-11  <b>Block # 8 Changed to read:</b> Attachment 3.1-A.1, Page 7c.14, Attachment 3.1-A.1, Page 7c.15, Attachment 3.1-A.1, Page 7c.16, Attachment 3.1-A.1, Page 7c.17, Attachment 3.1-A.1, Page 7c.18, Attachment 3.1-A.1, Page 7g.1, Attachment 3.1-A.1, Page 7g.2, Attachment 3.1-A.1, Page 7g.3, Attachment 3.1-A.1, Page 7g.4, Attachment 3.1-A.1, Page 7g.5, Attachment 3.1-A.1, Page 7g.6, Attachment 3.1-A.1, Page 7g.6a, Attachment 4.19-B, Section 4, Page 2, and Attachment 4.19-B, Section 4, Page 2a.  <b>Block # 9 Changed to read:</b> Attachment 3.1-A.1, Page 7g.1, Attachment 3.1-A.1, Page 7g.2, Attachment 3.1-A.1, Page 7g.3, Attachment 3.1-A.1, Page 7g.4, Attachment 3.1-A.1, Page 7g.5, Attachment 3.1-A.1, Page 7g.6, Attachment 3.1-A.1, Page 7g.6a, Attachment 4.19-B, Section 4, Page 2, and Attachment 4.19-B, Section 4, Page 2a.			

MEDICAL ASSISTANCE  
State: NORTH CAROLINA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICE

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- 4.b. Health Check Services / Early and Periodic Screening and Diagnosis of individuals under 21 years of age, and treatment of conditions found.

Health Check Services provide early and regular preventive medical and dental screenings. Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of Health Check Services. The agency's fee schedule rates were set as of July 1, 2010 and are effective for services provided on or after that date. The Fee schedule is published on the agency's website at <http://www.ncdhhs.gov/dma/fee/fee.htm>. Providers will be reimbursed the lower of the fee schedule rate or their usual and customary charge.

Health Check services will be provided by direct enrolled Medicaid providers who may be either governmental or private providers. Notwithstanding any other provision, if specified, these rates will be adjusted as shown on Attachment 4.19-B, Supplement 1 section of the State Plan. Early and Periodic Screening, Diagnosis and Treatment (EPSDT) identifies treatments that are medically necessary to correct or ameliorate a defect, physical or mental illness or a condition that is identified.

Services contained in 1905(a) and not listed as covered services in the state agency manuals/state plan will be provided. Services provided as described in Section 1905(a) to correct or ameliorate defects and physical and mental illnesses and conditions discovered by screening services and not covered in the state plan will be provided if determined to be medically necessary by the appropriate agency staff or consultants.

The rate for services contained in 1905 (a) will be reimbursed at 80% of Medicare's fee. If no Medicare rate exists, the State will reimburse a rate equal to similar services in the state plan. If no similar service exists, the State will review the rates of surrounding Medicaid states. If the surrounding Medicaid State's fees are not available, the State will reimburse 80% of usual and customary charges or negotiate the fee with the provider.

EPSDT services provided by Local Health Departments (governmental agencies) may be cost settled as described in Attachment 4.19-B, Section 9, page 1 of the state plan.

TN. No. 10-008  
Supersedes  
TN. No. 92-14

Approval Date 05-16-11

Eff. Date 07-01-2010

MEDICAL ASSISTANCE  
State: NORTH CAROLINA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICE

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Additional service categories are reimbursed as follows:

Hearing aids and hearing aid accessories are reimbursed at invoice cost (invoices must accompany claims for aids and accessories). Fitting and dispensing services are reimbursed at a fixed reasonable reimbursement fee.

Batteries are reimbursed at current retail costs; an invoice is not required and a dispensing fee is not allowed.

TN. No. 10-008  
Supersedes  
TN. No. 91-47

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4.b.(9) Rehabilitative Services for Behavioral Health of EPSDT Eligible *(continued)*

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**(d) EPSDT Early Intervention Rehabilitative Services:**

Medicaid-eligible children from birth to age three who are referred to and/or determined to be eligible for the NC Infant-Toddler Program under Part C of the Individuals with Disabilities Education Act (IDEA) are eligible for services through the Children's Developmental Service Agency (CDSA). The CDSA is the local lead agency for the NC Infant-Toddler Program.

Rehabilitative Services for Infants and Toddlers include a range of coordinated services provided to children from birth to age 3 in order to correct, reduce, or prevent further deterioration of identified deficits in the cognitive, communicative, physical, socioemotional, physical, or adaptive developmental status.

They can also be targeted at restoring the developmental capacity of children who are felt to be at risk for such deficits because of specific medical, biological, or environmental risk factors. Children under three must meet all eligibility for early intervention services delineated in the "North Carolina Infant and Toddler Manual."

Deficits are identified through comprehensive screening, assessments, and evaluations. Recommended services must be face-to-face encounters, medically necessary, within the scope of practice of the provider, and intended to maximize reduction of identified disability (ies) or deficit (s) and restoration of a recipient to his best possible functional level. Services include providing information related to the health and development of a child, skills training, modeling and offering anticipatory guidance to parents and to caregivers and assisting those in identifying, planning and maintaining a regimen related to regaining the child's functioning. Services may be provided in office settings, home, day care center, or other natural environment locations.

Provision of services to the family or caregivers must be directed to meeting the identified child's medical treatment needs. Services provided to non-Medicaid eligible family members independent of meeting the identified needs of the child are not covered by Medicaid. Services must be ordered by and under the direction of a Physician, Psychologist, Advanced Practice Nurse, or Physician's Assistant.

The following services are covered when medically necessary.

4.b.(9) Rehabilitative Services for Behavioral Health of EPSDT Eligible *(continued)*  
**(d) EPSDT Early Intervention Rehabilitative Services**

Services include:

**Audiological:** services to identify children with auditory impairment, using at risk criteria and appropriate audiologic evaluation procedures to determine the range, nature, and degree of hearing loss and communication functions. It includes referral for medical and other services necessary for the rehabilitation, provision of auditory training and aural rehabilitation, and determination of the child's need for amplification and its selection, use, and evaluation. These services must be provided by an Audiologist. As defined in 42 CFR 440.110, an Audiologist who has a valid license issued by the NC Board of Examiners for Speech and Language Pathologists and Audiologists.

**Nutritional Assessment:** services that include conducting nutritional assessments, developing and monitoring appropriate plans to address the nutritional needs of the child, based on the findings of the nutritional assessment, and making referrals to appropriate community resources to carry out nutritional goals. These services must be provided by a Nutritionist/Dietician registered with the American Dietetic Association's Commission on Dietetic Registration or licensed by the NC Board of Dietetics/Nutrition.

**Occupational Therapy:** services to address the functional needs of a child related to adaptive development, adaptive behavior and play, and sensory, motor, and postural development to improve the child's functional ability to perform tasks, including identification, assessment, intervention, adaptation of the environment, and selection of assistive and orthotic devices. These services must be provided by an Occupational Therapist as defined in 42 CFR 440.110 and be licensed pursuant to North Carolina State law or by a licensed Occupational Therapy Assistant under the supervision of a licensed Occupational Therapist.

**Physical Therapy:** services to address the promotion of sensor motor function through enhancement of musculoskeletal status, neurobehavioral organization, perceptual and motor development, cardiopulmonary status, and effective environmental adaptation. It includes evaluation to identify movement dysfunction, obtaining, interpreting and integrating information for program planning and treatment to prevent or compensate for functional problems. These services must be provided by a Physical Therapist as defined in 42 CFR 440.110 and be licensed pursuant to North Carolina State law or a licensed Physical Therapy Assistant under the supervision of a licensed Physical Therapist.

4.b.(9) Rehabilitative Services for Behavioral Health of EPSDT Eligible (continued)  
**(d) EPSDT Early Intervention Rehabilitative Services**

Psychological: services are administering psychological and developmental tests, interpreting results, obtaining and integrating information about the child's behavior, child and family conditions related to learning, mental health and development, and planning and managing a program of psychological services, including psychological counseling, family counseling, consultation on child development, parent training and education programs. Qualifications of the practitioners who furnish psychological services are as follows: A Licensed Family and Marriage Counselor as defined in Article 18C of the Marital and Family Therapy Certification Act. A Licensed Clinical Social Worker (LCSW) or a Licensed Clinical Social Worker-Provisional (LCSW-P), under the supervision of an LCSW, in accordance with the Ethical Guidelines of the Social Worker Act (NCGS 90B) and the NASW Code of Ethics. A psychologist licensed by the NC Psychology Board, in accordance with the NC Psychology Act. A Licensed Professional Counselor (LPC) or a Licensed Professional Counselor Associate (LPCA), under the supervision of a LPC, in accordance with the Licensed Professional Counseling Act (NCGS 24).

Speech/Language: services to identify children with communicative or oropharyngeal disorders and delays in communication skills development, referral for medical or other professional services and the provision of services necessary for their rehabilitation. These services must be provided by a Speech Pathologist as defined in 42 CFR 440.110 and be licensed pursuant to North Carolina State law or, a Speech/Language Pathology Assistant who works under the supervision of an enrolled licensed Speech Pathologist. A Speech/Language Pathology Assistant (SLPA) must hold an Associate's degree in Speech/Language Pathology or a Bachelor's Degree from an accredited institution with specialized coursework in Speech/Language Pathology. A SLPA must also pass a competency test by the North Carolina Board of Examiners for Speech and Language Pathologists and Audiologists.

Clinical Social Work: services are evaluation of a child's living conditions and patterns or parent-child interaction, preparing a social or emotional assessment of the child within the family context, counseling parents and other family members, appropriate social skill-building with the child and parents, working with those problems in the child's living situation, and identifying community resources to enable the child and family to receive maximum benefit from services. These services may be provided by a Licensed Clinical Social Worker (LCSW) or a Licensed Clinical Social Worker-Provisional (LCSW-P) under the supervision of an LCSW, in accordance with the Ethical Guidelines of the Social Worker Act (NCGS 90B) and the NASW Code of Ethics.

Multidisciplinary Evaluations and Assessments: services are screening, evaluation, and assessment procedures used to determine a child's initial and continuing eligibility for Early Intervention services, the child's level of functioning in the developmental domains, and a medical perspective on the child's development.

4.b.(9) Rehabilitative Services for Behavioral Health of EPSDT Eligible *(continued)*  
**(d) EPSDT Early Intervention Rehabilitative Services**

This service is used to determine the child's strengths and needs, and services appropriate to meet those needs, as well as the resources and concerns of the family, and the supports and services necessary to enhance the family's capacity to meet their child's developmental needs. These services may be provided by a physician, a Pediatrician, or Physician's Assistant, in accordance with the scope of the NC Medical Practice Act, a Nurse Practitioner within the scope of the Nurse Practice Act ; a Registered Nurse licensed in the State of North Carolina, in accordance with the NC Board of Nursing; an Audiologist (described above) an Occupational Therapist (described above); a Physical Therapist (described above); a Nutritionist/Dietician (described above); a Psychologist (described above); a Speech Pathologist (described above); a Licensed Family and Marriage Counselor (described above); a Licensed Clinical Social Worker (LCSW) or a Licensed Clinical Social Worker-Provisional (LCSW-P) (described above); an Educational Diagnostician, with a master's degree in special education or related field, with at least six hours of coursework and two years of experience in educational/developmental testing, or a bachelor's degree in special education or related field, with at least six hours of coursework and three years of experience in educational/developmental testing. Examples of related fields include degrees in psychology or general education.

Community Based Rehabilitative Services: This service is provided to meet the cognitive, communication, social/emotional and adaptive development needs of the child.

The ITFS, in consultation with the IFSP team, will work with caregivers on planning and developing individualized intervention strategies for the child to extend opportunities to practice the following skills into everyday activities in the home, daycare or other community setting: thinking, problem solving and information processing skills, self-help skills, appropriate social behaviors and interactions, language skills, and gross and fine motor skills.



4.b.(9) Rehabilitative Services for Behavioral Health of EPSDT Eligible (continued)  
**(d) EPSDT Early Intervention Rehabilitative Services**

Providers of Community Based Rehabilitative Services are as follows: An individual with Infant, Toddler, and Family Specialist (ITFS) certification or a Infant, Toddler, and Family Associate (IFSA) working toward certification at the required rate. The ITFS must hold a Bachelor's degree or higher in a health, education, early childhood, or human service field or hold a Bachelor's degree or higher in a non-human service field but have four years of full-time, post-Bachelor's degree accumulated experience with the infant and toddler population, or are a Registered Nurse and hold a current North Carolina license. The IFSA must hold an Associate's degree or less in a health, education, early childhood, or other human service field. Both ITFS and IFSA must have at least 27 hours of coursework in health, education, or early childhood. The North Carolina Division of Public Health, through the Children's Developmental Services Agencies (CDSAs), documents and verifies the qualifications, training, and certification of the ITFS, verifies the valid licensure status (if applicable), and recommends the provider for Medicaid participation.

Services performed by the Infant, Toddler, and Family certified individual must be ordered by the physician. Psychologist, advanced practice nurse, or physician's assistant.