

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



September 14, 2010

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 Title XIX State Plan Amendment, Transmittal #10-020

Dear Dr. Gray:

We have reviewed the proposed amendment to the North Carolina Medicaid State Plan that was submitted under transmittal number 10-020 and received in the Regional Office on June 17, 2010. This amendment requests and establishes an extension to the current sunset reimbursement methodology as currently written in the State Plan. The current reimbursement methodology ended June 30, 2010 and the extension will allow NC to continue making payments through March 1, 2011.

The corresponding coverage page review resulted in a companion letter being issued under another cover letter.

Based on the information provided, we are pleased to inform you that Medicaid State Plan Amendment 10-020 was approved on September 14, 2010. The effective date of this amendment is July 1, 2010. 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 (financial) at (404) 562-7327 and Elaine Elmore (coverage) at (404) 562-7408.

Sincerely,

/s/

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

Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION		1. TRANSMITTAL NUMBER: 10-020	2. STATE NC
		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 July 1, 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: Section 1915(g)(1)		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-B, Section 19, Page 1, Attachment 4.19-B, Section 19, Page 2, Attachment 4.19-B, Section 19, Page 3, Attachment 4.19-B, Section 19, Page 4, and Attachment 4.19-B, Section 19, Page 5		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-B, Section 19, Page 1, Attachment 4.19-B, Section 19, Page 2, Attachment 4.19-B, Section 19, Page 3, Attachment 4.19-B, Section 19, Page 4, and Attachment 4.19-B, Section 19, Page 5	
10. SUBJECT OF AMENDMENT: Targeted Case Management			
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:	
13. TYPED NAME: Lanier M. Cansler		Office of the Secretary Department of Health and Human Services 2001 Mail Service Center Raleigh, North Carolina 27699-2001	
14. TITLE: Secretary			
15. DATE SUBMITTED: 6/15/10			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: 06/16/10		18. DATE APPROVED: 09/14/10	
PLAN APPROVED - ONE COPY ATTACHED			
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 email dated 09/08/10. Block #8: Changed to read: Attachment 4.19-B. Section 19 Pages 1, 2, 4, and 5; Block #9: Changed to read: Attachment 4.19-B. Section 19 Pages 1, 2, 4, and 5.			

State Plan Under Title XIX of the Social Security Act
Medical Assistance Program
State: North Carolina

Payments for Medical and Remedial Care and Services

19. Case Management Services as defined in, and to the group specified in, Supplement 1 to ATTACHMENT 3.1-A (in accordance with section 1905(a)(19) or section 1915(g) of the Act).

- A. Pregnant Women.

Case Management Services (Pregnant Women)

The interim rate was set as of July 1, 2002 and was effective for services on or after that date. The fee-for service rate is the same per unit rate (one unit equals fifteen minutes) for all providers. Providers are reimbursed the lower of the rate or their usual and customary charge. The fee will be set by dividing the cost of an FTE case manager by the caseload size. The fee will be evaluated annually and any overpayments will be recouped in the following year's rate. The state will not pay more than cost.

Governmental providers are paid based on the above rate not to exceed actual costs. Cost Reporting and settlement of Governmental providers occurs through the methodology described in Section 9, page 1 of Attachment 4.19-B of this state plan.

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.

Payment methodology for this service will end date on March 1, 2011.

TN No. 10-020
Supersedes
TN No. 05-007

Approval Date: 09-14-10

Effective Date: 07/01/2010

State Plan Under Title XIX of the Social Security Act
Medical Assistance Program
State: North Carolina

Payments for Medical and Remedial Care and Services

B. Adults and Children At-Risk For Abuse, Neglect, or Exploitation.

Medicaid reimbursement for Case Management Services may not exceed cost. The interim per unit rate (One unit = fifteen minutes) will be determined annually by the Division of Medical Assistance. 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.

Each local provider must certify the availability of the matching non-federal share of service payments. This certification is required to be available for audit purposes and will be made in accordance with instructions provided by the Division of Social Services.

The interim rate will be subject to final settlement reconciliation with actual cost. Each provider must prepare and submit a report of its costs and other financial information related to reimbursement annually. The report must include costs from a fiscal period beginning on July 1 and ending on June 30 and must be submitted to the Division of Medical Assistance on or before the September 30 that immediately follows the June 30 year end.

This rate is calculated by taking the actual cost from governmental providers and dividing by the actual units spent performing the service.

Units are obtained from case managers' certified weekly time sheets. Cost is allocated through the annual Single County Audit for each governmental provider. Using the cost data from these governmental case managers, the rate gives consideration for case manager related costs for: 1) salary/wages for direct practitioners; 2) employee-related expenses for direct practitioners; 3) indirect expenses; 4) transportation associated with providing the Case Management service; and 5) general and administrative costs.

Payment methodology for this service will end date on March 1, 2011.

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State Plan Under Title XIX of the Social Security Act
Medical Assistance Program
State: North Carolina

Payments for Medical and Remedial Care and Services

Case Management: Targeted Case Management services for Children and Adults with Developmental Disabilities/ Delay or Traumatic Brain Injury, Manifested Prior to Age 22 or Children with Special Health Care Needs.

North Carolina pays governmental providers actual costs for the provision of targeted case management services. Certified public expenditures are the source of the non-Federal share. Governmental providers are paid an interim rate that is based on historical costs that different than private providers prior to the governmental provider's fiscal year end.

Annually, governmental provider actual costs are reconciled to interim payments through a cost report submitted by the governmental providers. Actual costs are settled for the Federal share based on the state wide average costs.

Payment methodology for this service will end date on March 1, 2011.

TN No. 10-020
Supersedes
TN No. 05-007

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State Plan Under Title XIX of the Social Security Act
Medical Assistance Program
State: North Carolina

Payments for Medical and Remedial Care and Services

D. Case Management (Persons With HIV Disease)

The agency's rates are set as of July 1, of each year and are effective for services on or after that date. These rates are set equal to the rates established under paragraph B (Adults and Children At-Risk For Abuse, Neglect, or Exploitation) of this section.

Medicaid reimbursement for HIV case management services will be the same per unit rate (one unit equals fifteen minutes) for all providers. Providers will be reimbursed the lower of the fee schedule rate or their usual and customary charge

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.

All rates are published on the agency's website. Except as otherwise noted in the plan, state developed fee schedule rates are the same for both governmental and private providers of targeted case management services and the fee schedule and any annual/periodic adjustments to the fee schedule are published on the agency's website at <http://www.ncdhhs.gov/dma/fee/fee.htm>. The agency's fee schedule rate was set effective July 1, 2009 and is effective for services provided on or after that date.

Payments for this service will end on March 1, 2011.

TN No. 10-020
Supersedes
TN No. 05-007

Approval Date: 09-14-10

Effective Date: 07/01/2010