

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



Centers for Medicaid, CHIP, and Survey & Certification

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

June 20, 2011

RE: SPA NC 11-004

Dear Secretary Cansler:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number (TN) 11-004. Effective January 1, 2011 this amendment proposes to revise the payment methodology for Head Injury beds, Ventilator Nursing beds and Nursing Facilities. Specifically, this amendment proposes to increase payment rates by 2.15% for Nursing Facilities effective January 1, 2011 and freeze provider rates at the level in effect as of June 30, 2011. Also the amendment proposes to freeze Head Injury and Ventilator Nursing Beds at the level in effect as of June 30, 2011.

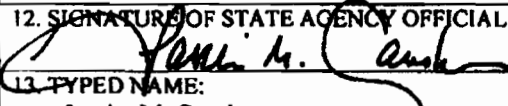

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(13), 1902(a)(30), and 1903(a) of the Social Security Act and the implementing Federal regulations at 42 CFR Part 447. We have found that the proposed changes in payment methodology comply with applicable requirements and therefore have approved them with an effective date of January 1, 2011. 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.

Sincerely

//s//

Cindy Mann
Director

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: 11-004	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 1, 2011	
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 413.310		7. FEDERAL BUDGET IMPACT: a. FFY 2011 \$13,787,090 b. FFY 2012 \$17,606,049	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Supplement 1, page 3 Attachment 4.19-A, Supplement 1, Page 1; Attachment 4.19-D, Page 3; Attachment 4.19-D Supplement 1, Page 1; and Attachment 4.19-D, Supplement 1, Page 2		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-A, Supplement 1, Page 1; Attachment 4.19-D, Page 3; Attachment 4.19-D Supplement 1, Page 1; and Attachment 4.19-D, Supplement 1, Page 2	
10. SUBJECT OF AMENDMENT: Nursing Care Facilities			
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: 3/25/11			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED:		18. DATE APPROVED: 6-20-11	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: JAN - 1 2011		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: William Lasowski		22. TITLE: Deputy Director, CMCS	
23. REMARKS: Per & ink change made to blocks #8 & 9			

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

Payment for Services – Prospective Reimbursement Plan for Nursing Care Facilities

Payment for Head Injury and Ventilator Nursing Beds:

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 these programs (Head Injury and Ventilator Nursing Beds) for the state fiscal years 2005-2006 and 2006-2007 will remain at the rate in effect as of June 30, 2005, except rates may be adjusted downward.

FY 2008-2009 – No Adjustment for Head and Vent Beds

FY 2009-2010 – The rates for SFY2010 are frozen as of the rates in effect July 1, 2009. Effective October 1, 2009, an overall rate reduction adjustment of 4.70% (annualized over 9 months) for Head Injury and Ventilator beds.

FY 2010-2011 – As of July 1, 2010, rates will be frozen as in effect June 30, 2010 as in effect June 30, 2011 and thereafter reviewed annually prior to September 1st of the succeeding calendar year.

Reference: Attachment 4.19-D, Page 6 and 7

TN. No. 11-004
Supersedes
TN. No. 09-009

Approval Date: JUN 20 2011

Eff. Date: 01/01/11

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

Payment for Services – Prospective Reimbursement Plan for Nursing Care Facilities

Payment for Nursing Facility Beds:

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.

FY 2007 – An appropriated 1.482% recurring inflationary increase for the Nursing Home program will be effective January 1, 2007.

FY 2009-2010 – The rates for SFY2010 are frozen as of the rates in effect July 1, 2009. Effective October 1, 2009 an overall rate reduction adjustment of 1.30% rate reduction (annualized over 8 months) for Nursing Care facilities.

FY 2010-2011 – Effective January 1, 2011, rates will be adjusted for an rate increase of 2.15% for Nursing Care facilities.

FY 2011-2012 – As of July 1, 2011, rates will be frozen at the rates that are in effect as of June 30, 2011; and thereafter reviewed annually prior to each September 1st of the succeeding calendar year.

Reference: Attachment 4.19-D, Page 1 thru 5

TN. No. 11-004
Supersedes
TN. No. NEW

Approval Date: JUN 20 2011

Eff. Date: 01/01/11