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State/Territory Name: North Carolina

State Plan Amendment (SPA) #: NC-13-032

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Approved SPA Page

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850



DEC 20 2013

Ms. Aldona Z. Wos, M.D., Ambassador (Ret.)
Secretary
North Department of Health and Human Services
2001 Mail Service Center
Raleigh, NC 27699-2001

RE: State Plan Amendment NC 13-032

Dear Dr. Wos:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 13-032. Effective August 1, 2013 this amendment proposes to revise reimbursement for long term care specialty units. Specifically, this amendment proposes to freeze payment rates for swing beds, head injury and ventilator services in effect as of June 30, 2013 for state fiscal years 2014 and 2015.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a), 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 August 1, 2013. 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:
13-032

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
August 1, 2013

5. TYPE OF PLAN MATERIAL (Check One):

- NEW STATE PLAN AMENDMENT TO BE CONSIDERED AS NEW PLAN AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR 447.200

7. FEDERAL BUDGET IMPACT:

a. FFY 2014 \$0.00

b. FFY 2015 \$0.00

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-A, Supplement 1, Page 1, 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, Supplement 1, Page 1, and Attachment 4.19-D,
Supplement 1, Page 2

10. SUBJECT OF AMENDMENT:

Long Term Care Units

11. GOVERNOR'S REVIEW (Check One):

- GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED: Secretary
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL:

//s//

13. TYPED NAME:

Aldona Z. Wos, M.D.

14. TITLE: Secretary

15. DATE SUBMITTED: 09-24-13

16. RETURN TO:

South Carolina Department of Health and Human Services
P.O. Box 8206
Columbia, South Carolina 29202-8206

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: 09-24-13

18. DATE APPROVED: 12-20-13

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

08-01-13

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

Payment for Medical and Remedial Care and Services: Inpatient Hospital

Payment for Swing Beds and Lower Level 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 5.65% (annualized over 9 months) for Swing and Lower Level beds.

FY 2010-2011 – As of July 1, 2010, rates will be frozen as in effect June 30, 2010.

SFY 2012 – Rates will be frozen at the rate in effect on June 30, 2011. Effective October 1, 2011, existing rates are adjusted by a negative 2.67% to yield a twelve (12) month two percent (2%) budget reduction in the nine (9) remaining months of this State Fiscal Year.

SFY 2013 – Effective July 1, 2012, the rates will be adjusted such that they will equal 98% of the rate in effect July 1, 2011. There will be no further annual adjustments this state fiscal year

SFY 2014 – Effective August 1, 2013, rates will be frozen at the rates in effect June 30, 2013. There will be no further annual adjustment.

SFY 2015 – Effective July 1, 2014, rates will be frozen at the rate in effect June 30, 2014. There will be no further annual adjustments this state fiscal year.

Reference: Attachment 4.19-A, Page 25

TN. No. 13-032
Supersedes
TN. No. 11-038

Approval Date: DEC 20 2013

Eff. Date: 08/01/13

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.

SFY 2012 – Rates will be frozen at the rate in effect on June 30, 2011. Effective October 1, 2011, existing rates are adjusted by a negative 2.67% to yield a twelve (12) month two percent (2%) budget reduction in the nine (9) remaining months of this State Fiscal Year.

SFY 2013 – Effective July 1, 2012, the rates will be adjusted such that they will equal 98% of the rate in effect July 1, 2011. There will be no further annual adjustments this state fiscal year.

SFY 2014 – Effective August 1, 2013, rates will be frozen at the rates in effect June 30, 2013. There will be no further annual adjustment.

SFY 2015 – Effective July 1, 2014, rates will be frozen at the rates in effect June 30, 2014. There will be no further annual adjustments this state fiscal year.

Reference: Attachment 4.19-D, Page 6 and 7

TN. No. 13-032
Supersedes
TN. No. 11-027

Approval Date: DEC 20 2013

Eff. Date: 08/01/13