

## **Table of Contents**

**State/Territory Name: North Carolina**

**State Plan Amendment (SPA) #:16-0012**

This file contains the following documents in the order listed:

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

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



**DIVISION OF MEDICAID & CHILDREN'S HEALTH OPERATIONS**

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March 23, 2017

Mr. Dave Richard  
Deputy Secretary  
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 # NC 16-0012

Dear Mr. Richard:

We reviewed the proposed amendment to the North Carolina Medicaid State Plan Amendment (SPA) NC 16-0012 (Home Health) that was submitted to CMS on December 29, 2016. This amendment requires the base rate for Home Health Services remain the same as those in effect June 30, 2015.

Based on the information provided, we are now ready to approve the Medicaid State Plan Amendment NC 16-0012. This SPA was approved on March 23, 2017. The effective date of this amendment is December 1, 2016. We are enclosing the signed paper-based HCFA-179 and the approved plan pages.

If you have any questions or need any further assistance, please contact Michelle White at (404) 562-7328, or Donald Graves at 919-828-2999.

Sincerely,

//s//

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

Enclosures

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>	<b>1. TRANSMITTAL NUMBER:</b> 16-012	<b>2. STATE</b> NC
<b>FOR: HEALTH CARE FINANCING ADMINISTRATION</b>	<b>3. PROGRAM IDENTIFICATION:</b> TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
<b>TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>	<b>4. PROPOSED EFFECTIVE DATE</b> December 1, 2016	

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*)

<b>6. FEDERAL STATUTE/REGULATION CITATION:</b>  42 CFR 447.200	<b>7. FEDERAL BUDGET IMPACT:</b>  a. FFY 2017      \$0.00 b. FFY 2018      \$0.00
<b>8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:</b>  Attachment 4.19-B, Section 7, Page 1, Attachment 4.19-B, Section 7, Page 2, Attachment 4.19-B, Section 7, Page 2a, and Attachment 4.19-B, Supplement 1, Page 1	<b>9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>):</b>  Attachment 4.19-B, Section 7, Page 1, Attachment 4.19-B, Section 7, Page 2, Attachment 4.19-B, Section 7, Page 2a, and Attachment 4.19-B, Supplement 1, Page 1

10. SUBJECT OF AMENDMENT:

Home Health

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

<b>12. SIGNATURE OF STATE AGENCY OFFICIAL:</b> //s//	<b>16. RETURN TO:</b>  Office of the Secretary Department of Health and Human Services 2001 Mail Service Center Raleigh, NC 27699-20014
<b>13. TYPED NAME:</b> Richard O. Brajer	
<b>14. TITLE:</b> Secretary	
<b>15. DATE SUBMITTED:</b>	

**FOR REGIONAL OFFICE USE ONLY**

<b>17. DATE RECEIVED:</b> 12/29/16	<b>18. DATE APPROVED:</b> 03/23/2017
PLAN APPROVED – ONE COPY ATTACHED	
<b>19. EFFECTIVE DATE OF APPROVED MATERIAL:</b> 12/01/16	<b>20. SIGNATURE OF REGIONAL OFFICIAL:</b> //s//
<b>21. TYPED NAME:</b> Jackie Glaze	<b>22. TITLE:</b> Associate Regional Administrator Division of Medicaid & Children Health Opns

23. REMARKS:

MEDICAL ASSISTANCE  
State: NORTH CAROLINA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICE

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7. HOME HEALTH SERVICES

The rates for home health services were set as of July 1, 2012 and are effective for Services provided by Medicare certified home health agencies participating in the North Carolina Medicaid Program on or after that date. All rates are published on the website at <https://dma.ncdhhs.gov/providers/fee-schedules>.

A. REIMBURSEMENT METHODS FOR CERTIFIED HOME HEALTH AGENCIES

- (a) A maximum rate per visit is established annually for each of the following services:
- (1) Registered or Licensed Practical Nursing Visit;
  - (2) Physical Therapy Visit;
  - (3) Speech Therapy Visit;
  - (4) Occupational Therapy visit;
  - (5) Home Health Aide Visit.
- (b) The maximum rate for new services identified in Section (a) above are computed and applied as follows:

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- (1) Maximum rates are adjusted by an annual cost index factor. The cost index has a labor component with a relative weight of 75 percent and a non-labor component with a relative weight of 25 percent. Labor cost changes are measured by the annual percentage change in the average hourly earnings of North Carolina service wages per worker. Non-labor cost changes are measured by the annual percentage change in the GNP Implicit Price Deflator.
  - (2) Other adjustments may be necessary for home health services to comply with federal or state laws or rules.
- (c) Medical supplies and equipment covered under Home Health (HH) services are reimbursed at the lower of billed customary charges or the comparable Durable Medical Equipment (DME) maximum allowable amount in effect. If a new item is not covered by the DME program and a Medicare allowable is available, the rate will be set at the Medicare allowable amount available to the Division of Medical Assistance as of July 1 of that year. If a Medicare allowable amount cannot be obtained for a particular item, the rate will be established based on average estimate of reasonable cost.

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Rates for supplies and equipment shall be consistent among the HIT, Home Health (HH), and DME programs. If a rate appeal results in a change in the rate for one of the three programs, it will also become effective for the other two programs.

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TN. No. 16-012  
Supersedes  
TN. No. 06-012

Approval Date: 03/23/2017  
Effective Date: 12/01/2016

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

Payments for Medical and Remedial Care and Services

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TN No: 16-012  
Supersedes  
TN No: 13-039

Approval Date: 03/23/2017

Eff. Date: 12/01/2016