

Table of Contents

State/Territory Name: North Carolina

State Plan Amendment (SPA) #: 21-0018

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
601 E. 12th St., Room 355
Kansas City, Missouri 64106



Medicaid and CHIP Operations Group

November 2, 2021

Dave Richard, Director
Division of Medical Assistance
NC Department of Health & Human Services
2501 Mail Service Center
Raleigh, North Carolina 27699-2501

Re: North Carolina State Plan Amendment (SPA) NC 21-0018

Dear Director Richard:

The Centers for Medicare & Medicaid Services (CMS) completed review of North Carolina's State Plan Amendment (SPA) Transmittal Number 21-0018 submitted on September 8, 2021. The purpose of this SPA is to update State Plan pages to the newest approved preprint.

We conducted our review of this amendment according to statutory requirements of Title XIX of the Social Security Act and implementing Federal regulations. This letter is to inform you that North Carolina's Medicaid SPA Transmittal Number 21-0018 is approved effective September 1, 2021.

If you have any questions regarding this SPA, please contact Rick Dawson at 206-615-2387 or via email at Rick.Dawson@cms.hhs.gov.

Sincerely,

/s/

Bill Brooks
Director
Division of Managed Care Operations

cc: Betty Staton
Lynn DelVecchio, CMS
Angela Jones, CMS

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
Program of All-Inclusive Care for the Elderly (PACE) Services

State/Territory: North Carolina

II. Rates and Payments

A. The State assures CMS that the capitated rates will be less than the cost to the agency of providing State plan approved services to an equivalent non-enrolled population group based upon the following methodology. Please attach a description of the negotiated rate setting methodology and how the State will ensure that rates are less than the amount the state would have otherwise paid for a comparable population.

1. X Rates are set at a percent of the amount that would otherwise been paid for a comparable population.
2. Experience-based (contractors/State's cost experience or encounter date)(please describe)
3. Adjusted Community Rate (please describe)
4. Other (please describe)

TN No.: 21-0018

Supersedes

TN No.: 06-009

Approval Date: 11/2/2021

Effective Date: 09/01/2021

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The description of the PACE payment methodology and actuarial certification of these rates is as follows:

1. To develop the AWOP's, the state actuary uses historical comparable population data adjusted for the populations and services covered by the PACE program. This includes base information where the recipient is 55 years of age or older, who require a nursing home level of care, and live within a PACE service area. Only the costs of State Plan approved services from this data file were used for the development of AWOP's. Separate AWOP's were developed for dually eligible individuals (Medicare and Medicaid) and non-dually eligible individuals (Medicaid only) 55 years of age and older. The dual eligible categories QMB only, QDWI, SLMB, QI1, and QI2 are not entitled to Medicaid services and thus are not included in the AWOP calculations. Recipients enrolled in managed care programs and services not eligible for PACE were excluded.
 2. Each of the dually eligible and non-dually eligible groups was analyzed separately with costs weighted between institutional and community populations to produce a AWOP for each of the two eligibility categories.
 3. Adjustments were applied to determine the AWOP once the base data was analyzed and determined appropriate. The adjustments include program changes and trend. AWOP methodology includes the impact of any programmatic changes.
- B. The State Medicaid Agency assures that the rates were set in a reasonable and predictable manner.
- C. The State will submit all capitated rates to the CMS Regional Office for prior approval, and will include the name, organizational affiliate of any actuary used, and attestation/description of the capitation rates.

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III. Enrollment and Disenrollment

The state assures that there is a process in place to provide for dissemination of enrollment and disenrollment data between the State and the State Administering Agency. The State assures that it has developed and will implement procedures for the enrollment and disenrollment of participants in the State's management information system, including procedures for any adjustment to account for the difference between the estimated number of participants on which the prospective monthly payment was based and the actual number of participants in that month.

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