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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

TRANSMITTAL AND NOTICE OF APPROVAL OF	1. TRANSMITTAL NUMBER: 21-0018	2. STATE North Carolina		
STATE PLAN MATERIAL	21 0010	Tvortii Caronna		
FOR: HEALTH CARE FINANCING ADMINISTRATION	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)			
TO: REGIONAL ADMINISTRATOR	4. PROPOSED EFFECTIVE DATE			
HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES	September 1, 2021			
5. TYPE OF PLAN MATERIAL (Check One):				
, , ,		_		
	CONSIDERED AS NEW PLAN	AMENDMENT		
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMED 6. FEDERAL STATUTE/REGULATION CITATION:	NDMENT (Separate Transmittal for each 7. FEDERAL BUDGET IMPACT:	amendment)		
42 CFR 460	a. FFY 2021 \$ <u>0.0</u>			
	b. FFY 2022 \$ <u>0.0</u>			
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):			
Supplement 3 to Attachment 3.1-A, Pages 7-9	Supplement 3 to Attachment 3.1-A, Pages 7-9			
10. SUBJECT OF AMENDMENT:				
Program of All-Inclusive Care for the Elderly (PACE) Services				
11 COVERNOR'S REVIEW (CL. 1.0.)				
11. GOVERNOR'S REVIEW (Check One): ☐ GOVERNOR'S OFFICE REPORTED NO COMMENT	☐ OTHER, AS SPEC	IFIED: Secretary		
COMMENTS OF GOVERNOR'S OFFICE ENCLOSED				
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL				
12. SIGNATURE OF STATE AGENCY OFFICIAL:	16. RETURN TO:			
13. TYPED NAME:	Office of the Secretary			
Mandy Cohen, MD, MPH	Department of Health and Human Services			
14. TITLE: Secretary				
15. DATE SUBMITTED: 09/07/21	Raleigh, NC 27699-20014			
FOR REGIONAL OF 17. DATE RECEIVED: 09/07/21	FICE USE ONLY 18. DATE APPROVED:			
17. DATE RECEIVED. 09/07/21	11/02/21			
PLAN APPROVED – ON				
19. EFFECTIVE DATE OF APPROVED MATERIAL: 09/01/21	20. SIGNATURE OF REGIONAL OFF	FICIAL:		
21. TYPED NAME: Bill Brooks	22. TITLE: Director, Division of Managed Care Operations			
23. REMARKS:	Division of Managed Care Operations			
The state gave permission on September 21, 2021 to make the following pen and ink changes:				
Box 6 change to 42 CFR 460.				
Box 8 change "pages 2-9" to "pages 7-9"				
Box 9 change "pages 2-9" to "pages 7-9"				

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

State/Territory: North Carolina

A. The State assures CMS that the capitated rates will be less than the cost to the agency of

II.	Rates	and	Pay	ments
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upon the fol methodology	ate plan approved services to an equivalent non-enrolled population group based lowing methodology. Please attach a description of the negotiated rate setting y and how the State will ensure that rates are less than the amount the state would
have otherw	ise paid for a comparable population.
1. <u>X</u>	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.: <u>06-009</u> Approval Date: <u>11/2/2021</u> Effective Date: <u>09/01/2021</u>

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

State/Territory: North Carolina

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.

TN No.: 21-0018 Supersedes

TN No.: <u>06-009</u> Approval Date: <u>11/2/2021</u> Effective Date: <u>09/01/2021</u>

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

State/Territory: North Carolina

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.

TN No.: 21-0018 Supersedes

TN No.: <u>06-009</u> Approval Date: <u>11/2/2021</u> Effective Date: <u>09/01/2021</u>