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State/Territory Name: North Carolina

State Plan Amendment (SPA) #: 20-0012

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

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



Financial Management Group

November 9, 2020

Mr. Dave Richard
Deputy Secretary
Division of Health Benefits
North Carolina Department of Health and Human Services
2501 Mail Service Center
Raleigh, NC 27699-2501

Re: North Carolina State Plan Amendment 20-0012

Dear Mr. Richard:

We have completed our review of State Plan Amendment (SPA) 20-0012. This SPA modifies Attachment 4.19-A of North Carolina's Title XIX State Plan. Specifically this amendment proposes to modify the language describing reimbursement to NC state border hospitals in need of inpatient services.

We conducted our review of this SPA according to the statutory requirements at sections 1902(a)(3), 1902(a)(13), 1902(a)(30), 1903(a), and 1923 of the Social Security Act (the Act) and the regulations at 42 CFR 447 Subpart C. We are approving North Carolina State plan amendment 20-0012 with an effective date of July 1, 2020. We are enclosing the CMS-179 (HCFA-179) and the amended plan pages.

If you have any questions, or require additional information, please call Anna Dubois at (850) 878-0916.

Sincerely,



For

Rory Howe
Acting Director

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL	1. TRANSMITTAL NUMBER: 20-0012	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 July 1, 2020, and thereafter. See box 23	

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 447.201	7. FEDERAL BUDGET IMPACT: a. FFY 2020 \$73,912 See box 23 b. FFY 2021 \$283,020
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-A, Pages 23.	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-A, Pages 23.

10. SUBJECT OF AMENDMENT:

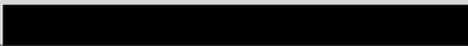
Out of State Hospital

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: 	16. RETURN TO: Office of the Secretary Department of Health and Human Services 2001 Mail Service Center Raleigh, NC 27699-20014
13. TYPED NAME: Mandy Cohen, MD, MPH	
14. TITLE: Secretary	
15. DATE SUBMITTED: 9/23/2020	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:	18. DATE APPROVED: 11/9/20
PLAN APPROVED – ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: 7/1/20	20.  For
21. TYPED NAME: Rory Howe	22. TITLE: Acting Director, FMG

23. REMARKS:

The state has authorized the following pen and Ink changes:
 Box 4: remove the language "and thereafter"
 Box 7: 2020 - \$36,946; 2021: \$141,470

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

Payments for Medical and Remedial Care and Services: Inpatient Hospital

OUT-OF-STATE-HOSPITALS

(a) Except as noted in Paragraph (c) below, the Division of Health Benefits shall reimburse out-of-state hospitals using the DRG methodology. Effective for dates of service on or after December 1, 2016, the DRG hospital unit value for all out-of-state hospitals shall be equal to the unit value of the North Carolina hospitals' statewide median rate of \$2,704.50. NC Border hospitals may request a negotiated base rate when the out-of-state care and services meet ALL of the following criteria:

- (1) the care and services needed by the beneficiary are not available in the beneficiary's North Carolina county due to the closing of the North Carolina hospital previously providing those services. Effective July 1, 2020, and thereafter.
- (2) no other NC Hospital is available to provide services within the same NC county.
- (3) the border hospital providing care and services is within 15 miles of the NC hospital border

Out-of-state providers are eligible to receive cost and day outlier payments.

(b) Hospitals certified as disproportionate share hospitals by the Medicaid agency in their home state may apply for a disproportionate share adjustment to their North Carolina Medicaid rate. The North Carolina disproportionate share hospital rate adjustment shall be the hospital's home state DSH adjustment, not to exceed 2.5 percent of the DRG or per diem payment. The Division will apply the disproportionate share hospital rate adjustment to Medicaid inpatient claims submitted by qualified out-of-state hospitals.

(c) The Division of Health Benefits may enter into contractual relationships with certain hospitals providing highly specialized inpatient services, e.g, transplants in which case reimbursement for inpatient services shall be based upon a negotiated rate.

TN. No. 20-0012

Supersedes
TN. No. 16-011

Approval Date: 11/9/20

Eff. Date: 07/01/2020