Department of Health & Human Services Centers for Medicare & Medicaid Services 61 Forsyth St., Suite 4T20 Atlanta, Georgia 30303-8909



December 17, 2009

Craigan Gray, MD, MBA, JD
Director
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 #09-015

Dear Dr. Gray:

We have reviewed the proposed amendment to the North Carolina Medicaid State Plan that was submitted under transmittal number 09-015 and received in the Regional Office on September 30, 2009. This amendment adjusts State Fiscal Year (SFY) 2010 and freezes the SFY 2011 rates for Physician Services, Independent Laboratories and Eyeglasses based on an overall program reduction of 4.90 percent for SFY 2010. SFY 2011, rates are frozen at the SFY 2010 amount.

Based on the information provided, we are pleased to inform you that Medicaid State Plan Amendment 09-015 was approved on December 14, 2009. The effective date of this amendment is July 1, 2009. We are enclosing the approved form HCFA-179 and plan page.

If you have any questions or need any further assistance, please contact Clarence Lewis at (404 562-7432, Cheryl Brimage at (404) 562-7116 or Rita Nimmons at (404) 562-7415.

Sincerely,

/s/

Mary Kaye Justis, RN, MBA Acting Associate Regional Administrator Division of Medicaid & Children's Health Operations

**Enclosures**