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



February 9, 2010

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 #09-017

Dear Dr. Gray:

We have reviewed the proposed amendment to the North Carolina Medicaid State Plan that was submitted under transmittal number 09-017 and received in the Regional Office on September 29, 2009. This amendment adjusts State Fiscal Year (SFY) 2010 rates for Rehabilitation Services based on an overall program reduction of 4.68 percent for SFY 2010. SFY 2011 rates are to be frozen at the SFY 2010 amount.

Based on the information provided, we are pleased to inform you that Medicaid State Plan Amendment 09-017 was approved on February 4, 2010. The effective date of this amendment is July 1, 2009. We are enclosing the approved form HCFA-179 and plan pages.

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