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



Centers for Medicaid and CHIP Services

Mr. Lanier M. Cansler Secretary North Carolina Department of Health and Human Services 2001 Mail Service Center Raleigh, North Carolina 27699-2001 JAN 17 2012

RE: SPA NC 11-001

Dear Secretary Cansler:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 11-001. Effective January 1, 2011 this amendment proposes to deny payment for Provider-Preventable-Conditions including Health Care-Acquired Conditions and Other Provider Preventable Conditions. Specifically, the State will deny payment for; Inpatient Hospital-Acquired Conditions other than Deep Vein Thrombosis (DVT)/Pulmonary Embolism (PE) following total knee replacement or hip replacement surgery in pediatric and obstetric patients; Outpatient Hospital, Ambulatory Surgical Centers and Practitioners for wrong surgical or other invasive procedure performed on a patient; surgical or other invasive procedure performed on the wrong body part; surgical or other invasive procedure performed on the wrong patient.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(13), 1902(a)(30), and 1903(a) of the Social Security Act and the implementing Federal regulations at 42 CFR Part 447. We have found that the proposed reimbursement methodology complies with applicable requirements and therefore have approved them with an effective date of January 1, 2011. We are enclosing the CMS-179 and the amended approved plan pages.

If you have any questions, please call Stanley Fields at (502) 223-5332.

Sincerely

Cindy Mann

Director, CMCS

Van Mempen B