

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. Albert Delia  
Secretary  
North Carolina Department of Health and Human Services  
2001 Mail Service Center  
Raleigh, North Carolina 27699-2001

**MAR 26 2012**

RE: SPA NC 11-003

Dear Secretary Delia:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 11-003. Effective January 1, 2011 this amendment proposes to provide supplemental payments to the non-state government and private hospital's up to the Medicare upper payment limit, eliminate the CPE funding method for Medicaid services provided by non-state government hospitals and implement a provider assessment. The payments will be made quarterly based on Medicaid services provided in that quarter.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(13), 1902(a)(30), 1903(a) and 1923 of the Social Security Act and the implementing Federal regulations at 42 CFR Part 447. We have found that the proposed changes in payment methodology comply 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