

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



October 21, 2011

Craigian 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 #11-024

Dear Dr. Gray:

We have reviewed the proposed amendment to the North Carolina Medicaid State Plan that was submitted under transmittal number 11-024 and received in the Atlanta Regional Office on July 28, 2011.

This amendment is required due to the State administrative decision to adjust the supplemental page for ambulatory surgical centers. The State Plan change is to adjust the SFY 2012 rates by a negative 2.67 percent to yield a 12 month 2 percent reduction in the 8 remaining months of this SFY. For SFY 2013, the rates will be adjusted such that they will equal 98 percent of the rate in effect July 1, 2011.

Based on the information provided, Medicaid State Plan Amendment 11-024 was approved on October 20, 2011. The effective date of this amendment is November 1, 2011. We are enclosing the approved form HCFA-179 and plan page.


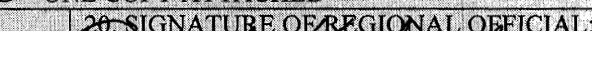
If you have any questions or need any further assistance, please contact Yvette Moore at (404) 562-7327.

Sincerely,

/s/

Jackie Glaze
Associate Regional Administrator
Division of Medicaid & Children's Health Operations

Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: 11-024	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 October 1, 2011	
5. TYPE OF PLAN MATERIAL (<i>Check One</i>): <input type="checkbox"/> NEW STATE PLAN <input checked="" type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input type="checkbox"/> AMENDMENT COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (<i>Separate Transmittal for each amendment</i>)			
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 447.201		7. FEDERAL BUDGET IMPACT: a. FFY 2012 (\$ 64,469) b. FFY 2013 \$ 407,587	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B, Supplement 2, Page 1d		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>): Attachment 4.19-B, Supplement 2, Page 1d	
10. SUBJECT OF AMENDMENT: Ambulatory Surgical Centers			
11. GOVERNOR'S REVIEW (<i>Check One</i>): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: SECRETARY <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> 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, North Carolina 27699-2001	
13. TYPED NAME: Lanier M. Cansler		14. TITLE: Secretary	
15. DATE SUBMITTED: 7/26/11			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: 07/28/11		18. DATE APPROVED: 10/20/11	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: 11/01/11		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: Jackie Glaze		22. TITLE: Associate Regional Administrator Division of Medicaid & Children Health Opns	
23. REMARKS: Approved with the following changes to item 4 as authorized by State Agency on email dated 10/11/11: Blocked #4 changed to read: November 1, 2011.			

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

Payments for Medical and Remedial Care and Services

Payment for Ambulatory Surgical Centers:

SFY 2003 – No adjustment.

SFY 2004 – No Adjustments for Ambulatory Surgical Centers effective October 1, 2003.

SFY 2005 and 2006 – No rate increase from the June 30, 2005 rate for all Medicaid private and public providers with the following exceptions: federally qualified health clinics, rural health centers, state institutions, outpatient hospital, pharmacy and the non-inflationary components of the case-mix reimbursement system for nursing facilities.

NC General Assembly legislation mandates that effective July 1, 2005, reimbursement rates for Ambulatory Surgical Centers for the state fiscal years 2005-2006 and 2006-2007 will remain at the rate in effect as of June 30, 2005.

SFY 2007 – Effective July 1, 2006 an inflationary increase of 9.169% was applied.

SFY 2010 – The rates for SFY 2010 are frozen as of the rates in effect at July 1, 2009, except Medicaid rates may be adjusted downward in accordance with the current year's downward adjustments to the Medicare fee schedule. Effective October 1, 2009, an overall negative rate adjustment of 4.095% was applied. There will be no further annual adjustment.

SFY 2011 – The rates for SFY 2011 will be frozen at the rates in effect on June 30, 2010.

SFY 2012 – Rates will be frozen at the rate in effect on June 30, 2011. Effective October 1, 2011, existing rates are adjusted by a negative 2.67% to yield a twelve (12) month two percent (2%) reduction in the nine (9) remaining months of this State Fiscal Year.

SFY 2013 – Effective July 1, 2012, the rates will be adjusted such that they will equal 98% of the rate in effect July 1, 2011. There will be no further annual adjustments this state fiscal year except that Medicaid rates may be adjusted downward in accordance with the current years downward adjustments to the Medicare fee schedule.

Reference: Attachment 4.19-B, Section 9, Page 2.

TN. No: 11-024
Supersedes
TN. No: 09-016

Approval Date: 10-20-11

Eff. Date 11/01/2011