

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 #11-026

Dear Dr. Gray:

We have reviewed the proposed amendment to the North Carolina Medicaid State Plan that was submitted under transmittal number 11-026 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 independent lab and x-ray. The State Plan change is to adjust the SFY 2012 rates by a negative 2.66 percent for independent lab and 2.67 percent for x-ray 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 11-026 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.

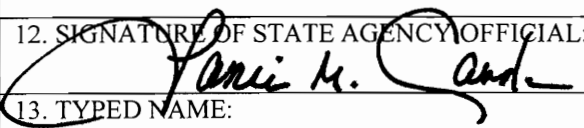

If you have any questions or need any further assistance, please contact Yvette Moore at (404) 562-7327.

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: <div style="text-align: center;">11-026</div>	2. STATE <div style="text-align: center;">NC</div>
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 <div style="text-align: center;">October 1, 2011</div>	
5. TYPE OF PLAN MATERIAL (<i>Check One</i>): <div style="display: flex; justify-content: space-between;"> <input type="checkbox"/> NEW STATE PLAN <input checked="" type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input type="checkbox"/> AMENDMENT </div> <div style="text-align: center; margin-top: 5px;"> <small>COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (<i>Separate Transmittal for each amendment</i>)</small> </div>			
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 447.201	7. FEDERAL BUDGET IMPACT: a. FFY 2012 (\$ 582,069) b. FFY 2013 \$ 326,050		
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B, Supplement 3, Page 1b	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>): Attachment 4.19-B, Supplement 3, Page 1b		
10. SUBJECT OF AMENDMENT: <div style="text-align: center;">Independent Labs and Portable X-Rays</div>			
11. GOVERNOR'S REVIEW (<i>Check One</i>): <div style="display: flex; justify-content: space-between;"> <div> <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL </div> <div> <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: SECRETARY </div> </div>			
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: <div style="text-align: center; font-size: 1.5em;">7/26/11</div>			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: <div style="text-align: center;">07/28/11</div>	18. DATE APPROVED: <div style="text-align: center;">10/20/11</div>		
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: <div style="text-align: center;">11/01/11</div>	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: <div style="margin-top: 20px;">Blocked #4 changed to read: November 1, 2011.</div>			

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 Independent Laboratory:

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.

SFY 2007 - Effective January 1, 2007 inflationary of .595% 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 years downward adjustments to the Medicare fee schedule. Effective October 1, 2009, an overall negative rate adjustment of 4.90% was applied. There will be no further annual rate adjustment for SFY 2010.

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 2.66% for Independent Laboratories and 2.67% for X-Ray Services to yield a twelve (12) month two percent (2%) reduction in the nine (9) remaining months of this State Fiscal Year for all Medicaid providers with the following exception: North Carolina State Laboratory rates will remain frozen at the rate in effect on June 30, 2011. Rates for new codes will not include inflation beyond 2009.

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 for all Medicaid providers with the following exception: North Carolina State Laboratory rates will remain frozen at the rate in effect on June 30, 2011. There will be no further annual adjustments this state fiscal year. Rates for new codes will not include inflation beyond 2009.

Reference: Attachment 4.19-B, Section 5

TN No: 11-026
Supersedes
TN No. 09 015

Approval Date: 10-20-11

Eff. Date: 11/1/2011