

## **Table of Contents**

**State/Territory Name: NC-13-009**

**State Plan Amendment (SPA) #: 13-009**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
Atlanta Regional Office  
61 Forsyth Street, Suite 4T20  
Atlanta, Georgia 30303



**DIVISION OF MEDICAID & CHILDREN'S HEALTH OPERATIONS**

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May 20, 2014

Dr. Robin Cummings, Director  
Division of Medical Assistance  
Department of Health and Human Services  
2501 Mail Service Center  
Raleigh, NC 27699-2501

Re: North Carolina State Plan Amendment, 13-009

Dear Dr. Cummings:

We have reviewed the State plan amendment (SPA) 13-009 submitted to CMS on September 30, 2013 which proposes to modify the maximum number of hours available for personal care services (PCS) from 80 hours a month up to 50 additional hours for a total of 130 hours per month based on an independent assessment and plan of care. In addition, this SPA changes the unit rate for PCS from \$3.88 per fifteen minutes of service to \$3.58.

CMS conducted its review of your submittal to ensure consistency with the statutory requirements at sections 1905(a)(24) and 1902 (a) of the Social Security Act. We found that the proposed reimbursement methodology complies with applicable requirements and therefore have approved it with an effective date of October 1, 2013.

During the review of this SPA, CMS reviewed the state's public notice and determined that the notice meets the regulatory requirements at 42 CFR 447.205(c). Consistent with the requirements described in the CFR, the State issued public notice on August 16, 2013 in newspapers of widest circulation within the state and identified a local agency where the proposed changes were available for public viewing. Within the content of the notice, the state adequately described the changes proposed under SPA 13-009. In describing the changes and the budget impact as related to this SPA, North Carolina has adequately met the regulatory public notice requirements and the statutory public process requirements as CMS interprets those requirements.

Also, during its review, CMS queried the state as to what, if any, negative impact the proposed rate reduction could have on access to or the quality of personal care services provided to North Carolina Medicaid beneficiaries. The state provided information and analysis which indicated that access to or the quality of services would not be negatively impacted in connection with the implementation of the proposed rate reductions. The state applied a number of metrics to their claims data to measure current access to PCS services and to set a baseline for future monitoring activities. The state will continue to monitor service utilization through application of these metrics either through the use of its monitoring "dashboard" which is part of their new data warehouse (expected to be functional by June 2014) or through its MMIS claims. In addition, North Carolina has committed to reviewing this data monthly and addressing any access issues that arise.

Regarding the quality of the services provided, the state has provided assurances that annual surveys of all provider types, including personal care services providers, are conducted to assess the provider's compliance with applicable laws and regulations affecting the quality of care provided. Follow up inspections are conducted for those providers who demonstrate significant non-compliance during the annual inspection.

We also considered a letter of support for this SPA from the North Carolina Providers' Council dated March 10, 2014.

Based on the information and assurances provided by the state, NC SPA 13-009 was approved on May 19, 2014. Enclosed are the HCFA Form 179 and the approved State plan pages.

If you have any additional questions or need further assistance, please contact Clarence Lewis at 803-898-7647, or Donald Graves at 919-828-2999.

Sincerely,

//s//

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

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL**

1. TRANSMITTAL NUMBER: 13-009	2. STATE NC
3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
4. PROPOSED EFFECTIVE DATE October 1, 2013	

FOR: HEALTH CARE FINANCING ADMINISTRATION

TO: REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

5. TYPE OF PLAN MATERIAL (Check One):

- NEW STATE PLAN       AMENDMENT TO BE CONSIDERED AS NEW PLAN       AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:  42 CFR 440.167	7. FEDERAL BUDGET IMPACT: a. FFY 2013-14 \$0 b. FFY 2014-15 \$0
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 3.1-A.1, Page 19, Attachment 3.1-A.1, Page 19a, Attachment 3.1-A.1, Page 20, Attachment 3.1-A.1, Page 25, Attachment 3.1-A.1, Page 26, Attachment 3.1-A.1, Page 26a, Attachment 4.19-B, Section 23, Page 6 and Attachment 4.19-B, Supplement 1, Page 1b	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 3.1-A.1, Page 19, Attachment 3.1-A.1, Page 20 Attachment 3.1-A.1, Page 25, Attachment 3.1-A.1, Page 26 Attachment 3.1-A.1, Page 26a, Attachment 4.19-B, Section 23, Page 6, and Attachment 4.19-B, Supplement 1, Page 1b

10. SUBJECT OF AMENDMENT:

Personal Care Services (PCS)

11. GOVERNOR'S REVIEW (Check One):

- GOVERNOR'S OFFICE REPORTED NO COMMENT       OTHER, AS SPECIFIED: Secretary  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL: //s//	16. RETURN TO: Office of the Secretary Department of Health and Human Services 2001 Mail Service Center Raleigh, NC 27699-20014
13. TYPED NAME: Aldona Z. Wos, M.D.	
14. TITLE: Secretary	
15. DATE SUBMITTED: 10/02/13	

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED: 10-02-14	18. DATE APPROVED: 05-19-14
<b>PLAN APPROVED - ONE COPY ATTACHED</b>	
19. EFFECTIVE DATE OF APPROVED MATERIAL: 10-1-13	20. SIGNATURE OF REGIONAL OFFICIAL: //s//
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 9 as authorized by State Agency e-mail dated 10/22/14

**Blocked #9 changed to read:** Attachment 3.1-A.1 pages 19, 20, 25, 26; Attachment 4.19-B Section 23 page 6, and Attachment 4.19-B Supplement 1 page 1b.

**State Plan Under Title XIX of the Social Security Act  
Medical Assistance Program  
State: NORTH CAROLINA**

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24f. **Personal Care Services:**

**SERVICES**

Personal care services (PCS) include a range of human assistance provided to persons of all ages with disabilities and chronic conditions to enable them to accomplish tasks that they would ordinarily do for themselves if they were not disabled. These PCS are intended to provide person-to-person, hands-on assistance by a PCS direct care worker in the beneficiary's- home or residential setting with common activities of daily living (ADLs) that, for this program are eating, dressing, bathing, toileting, and mobility. PCS also include: assistance with instrumental activities of daily living (IADLs), such as light housekeeping tasks, when directly related to the approved ADLs and the assistance is specified in the beneficiary's plan of care. PCS is provided by a direct care worker who is employed by a licensed home care agency, or by a residential facility licensed as an adult care home, family care home, supervised living facility, or combination home, and who meets the qualifications specified on Attachment 3.1-A.1, Pages 23-29, section c.

In addition to the specified assistance with ADLs and IADLs, qualified PCS direct care workers may also provide Nurse Aide I and Nurse Aide II tasks as specified on Attachment 3.1-A.1, Pages 23-29, section c., pursuant to the North Carolina Board of Nursing as described in 21 NCAC 36.0403 and as specified in the beneficiary's approved plan of care.

**ELIGIBILITY**

**To qualify for PCS, an adult or child must:**

- Be referred for PCS by his or her primary care or attending physician;
- Be medically stable;
- Not require monitoring, (observation resulting in intervention), supervision (precautional observation) or ongoing care from a licensed health care professional; and

**Require hands-on assistance with at least:**

- Three of the five qualifying ADLs at the limited level; or
- Two of the five qualifying ADLs, one of which is at the extensive level; or
- Two of the five qualifying ADLs, one of which is at the full dependency level.

Recipients not qualifying for additional PCS hours under EPSDT may qualify for up to 50 additional hours of Medicaid PCS assistance by a physician attestation that the Medicaid recipients meets the eligibility criteria provided in Session Law 203-306, Section 10.99F.(c)(3) and (a-d) below:

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TN No. 13-009

Supersedes

TN. No. 12-013

Approved Date 05-19-14

Eff. Date: 10/01/2013

**State Plan Under Title XIX of the Social Security Act  
Medical Assistance Program  
State: NORTH CAROLINA**

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24I. **Personal Care Services (continued):**

- (a) Requires an increased level of supervision (precautional observation) as assessed during an independent assessment conducted by State Medicaid Agency or entity designated by State Medicaid Agency;
- (b) Requires caregivers with training or experience in caring for individuals who have a degenerative disease characterized by irreversible memory dysfunction, that attacks the brain and results in impaired memory, thinking, and behavior, including gradual memory loss, impaired judgment, disorientation, personality change, difficulty learning, and the loss of language skills;
- (c) Regardless of setting, requires a physical environment that addresses safety and safeguards the beneficiary because of the recipient's gradual memory loss, impaired judgment, disorientation, personality change, difficulty learning, and loss of language skill; and
- (d) Medical documentation or verifiable information provided by a caregiver obtained during the independent assessment reflects a history of escalating safety concerns related to inappropriate wandering, ingestion, aggressive behavior, and an increased incidence of falls.

Each ADL is scored at one of five levels of self-performance or assistance. Totally Able and Cueing/Supervision levels of need do not entail hands-on assistance and are not qualifying levels of need for PCS. The three qualifying levels of need are Limited Hands-On Assistance, Extensive Hands-On Assistance, and Full Dependence.

**The five levels of need are defined as follows:**

- **Totally Able-** Beneficiary is able to self-perform 100 percent of activity, with or without aides or assistive devices, and without supervision or assistance setting up supplies and environment.
- **Cueing/Supervision-** Beneficiary is able to self-perform 100 percent of activity, with or without aides or assistive devices, and requires supervision, monitoring, or assistance retrieving or setting up supplies or equipment.
- **Limited Hands-On Assistance-** Beneficiary is able to self-perform more than 50 percent of activity and requires hands-on assistance to complete remainder of activity.
- **Extensive Hands-On Assistance-** Beneficiary is able to self-perform less than 50 percent of activity and requires hands-on assistance to complete remainder of activity.
- **Full Dependence-** Beneficiary is unable to perform any of the activity and is totally dependent on another to perform all of the activity.

**State Plan Under Title XIX of the Social Security Act  
Medical Assistance Program  
State: NORTH CAROLINA**

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24f. **Personal Care Services (continued):**

**Service Limitations:**

- Up to 130 hours per month for adults,
- Up to 60 hours per month for children. Pursuant to section 1905(r)(5) of the Social Security Act, the Early and Periodic Screening, Diagnostic and Treatment (EPSDT) benefit requires that states provide all medically necessary services coverable under the Medicaid program to EPSDT eligible children. Hours above the 60 hours may be provided to children through the EPSDT allowance; and
- Services levels must be re-assessed and re-authorized at least annually.

**Service Exclusions:**

- Services provided in an unauthorized location;
- Services provided by unauthorized individuals or providers;
- The beneficiaries primary need is housekeeping or homemaking;
- The IADLs performed are not directly related to the approved ADLs or as specified in the beneficiaries plan of care;
- In the event that the services provided in a month exceed a beneficiary's authorized monthly limit, services that exceed the authorized level will not be reimbursed;
- The services provided are not in accordance with the person-centered plan of care;
- Companion sitting or leisure time activities;

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**State Plan Under Title XIX of the Social Security Act****Medical Assistance Program**State: **NORTH CAROLINA**=====
  
**PERSONAL CARE SERVICES (PCS) AGENCY /ENTITY & DIRECT CARE WORKER QUALIFICATIONS (continued)**

	AGENCY/ENTITY PROVIDER				
	ADULT CARE HOME	FAMILY CARE HOME	COMBINATION HOME	SUPERVISED LIVING	HOME CARE AGENCIES
	c) Assistance with Mobility d) Assistance with Dressing e) Assistance with Eating 4) Training about providing care to individuals with impaired judgment, disorientation, loss of language skills, inappropriate behaviors, like wandering that are resulting from the exacerbation of dementia 5) Documentation and Reporting of beneficiary accidents and incidents; 6) Recognizing and Reporting Signs of Abuse and Neglect; 7) Infection Control	c) Assistance with Mobility d) Assistance with Dressing e) Assistance with Eating 4) Training about providing care to individuals with impaired judgment, disorientation, loss of language skills, inappropriate behaviors, like wandering that are resulting from the exacerbation of dementia 5) Documentation and Reporting of beneficiary accidents and incidents; 6) Recognizing and Reporting Signs of Abuse and Neglect; 7) Infection Control	c) Assistance with Mobility d) Assistance with Dressing e) Assistance with Eating 4) Training about providing care to individuals with impaired judgment, disorientation, loss of language skills, inappropriate behaviors, like wandering that are resulting from the exacerbation of dementia 5) Documentation and Reporting of beneficiary accidents and incidents; 6) Recognizing and Reporting Signs of Abuse and Neglect; 7) Infection Control	c) Assistance with Mobility d) Assistance with Dressing e) Assistance with Eating 4) Training about providing care to individuals with impaired judgment, disorientation, loss of language skills, inappropriate behaviors, like wandering that are resulting from the exacerbation of dementia 5) Documentation and Reporting of beneficiary accidents and incidents; 6) Recognizing and Reporting Signs of Abuse and Neglect; 7) Infection Control	c) Assistance with Mobility d) Assistance with Dressing e) Assistance with Eating 4) Training about providing care to individuals with impaired judgment, disorientation, loss of language skills, inappropriate behaviors, like wandering that are resulting from the exacerbation of dementia 5) Documentation and Reporting of beneficiary accidents and incidents; 6) Recognizing and Reporting Signs of Abuse and Neglect; 7) Infection Control

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**State Plan Under Title XIX of the Social Security Act  
Medical Assistance Program  
State: NORTH CAROLINA**

**PERSONAL CARE SERVICES (PCS) AGENCY /ENTITY & DIRECT CARE WORKER QUALIFICATIONS (continued)**

	AGENCY/ENTITY PROVIDER				
	ADULT CARE HOME	FAMILY CARE HOME	COMBINATION HOME	SUPERVISED LIVING	HOME CARE AGENCIES
<b>Additional Staffing Qualifications</b>	<p><b>1. Personal Care Aide:</b> Personal Care Aides providing services in the Adult Care Home must meet the staff orientation, training, competency, and continuing education requirements specified in licensure requirements, including successful completion of an 80-hour personal care training and competency evaluation program established by DHHS. The training must be successfully completed within six months of hiring.</p>	<p><b>1. Personal Care Aide:</b> Personal Care Aides providing services in the Adult Care Home must meet the staff orientation, training, competency, and continuing education requirements specified in licensure requirements, including successful completion of an 80-hour personal care training and competency evaluation program established by DHHS. The training must be successfully completed within six months of hiring.</p>	<p><b>1. Personal Care Aide:</b> Personal Care Aides providing services in the Adult Care Home must meet the staff orientation, training, competency, and continuing education requirements specified in licensure requirements, including successful completion of an 80-hour personal care training and competency evaluation program established by DHHS. The training must be successfully completed within six months of hiring.</p>	<p><b>1. Paraprofessionals:</b> Staff must meet the requirements for paraprofessionals in 10A NCAC 27G.0200. Staff must have a high school diploma or GED. Staff must meet participant specific competencies as identified by the participant's person-centered planning team and documented in the Person Centered Plan. Staff must successfully complete First Aid, CPR and DMH/DD/SAS Core Competencies and</p>	<p><b>1. Personal Care Aides:</b> Personal Care Aides providing services <b>for</b> the Home Care Agencies must meet the staff orientation, training, competency, and continuing education requirements specified in licensure requirements. <b>Home Care Agency: 10A NCAC 13J</b> <b><a href="http://www.ncdhhs.gov/dhsr/ahc/rules.html">http://www.ncdhhs.gov/dhsr/ahc/rules.html</a></b> In-home aides shall follow instructions for client care written by the health care practitioner required for the services provided. In-home aide duties may help with prescribed exercises which the client and in-home aides have been taught by a health care practitioner licensed pursuant to G.S. 90; provide or assist with personal care (i.e., bathing, care of mouth, skin and hair); assist with ambulation; assist client with self-administration of medications which are ordered by a physician or other person authorized by state law to prescribe; perform incidental household services which are essential to the client's care at home; and record and report changes in the client's condition, family situation or needs to an appropriate health care practitioner.</p>

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Supersedes  
TN. No. 12-013

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**State Plan Under Title XIX of the Social Security Act  
Medical Assistance Program  
State: NORTH CAROLINA**

**PERSONAL CARE SERVICES (PCS) AGENCY /ENTITY & DIRECT CARE WORKER QUALIFICATIONS (continued)**

AGENCY/ENTITY PROVIDER				
ADULT CARE HOME	FAMILY CARE HOME	COMBINATION HOME	SUPERVISED LIVING	HOME CARE AGENCIES
2. Nurse Aide I: Nurse Aides at this level are listed on the North Carolina Nurse Aide Registry and perform basic nursing skills and personal care activities. Nurse Aide I activities are delegated by a licensed nurse based on	2. Nurse Aide I: Nurse Aides at this level are listed on the North Carolina Nurse Aide Registry and perform basic nursing skills and personal care activities. Nurse Aide I activities are delegated by a licensed nurse based on the knowledge, skill,	2. Nurse Aide I: Nurse Aides at this level are listed on the North Carolina Nurse Aide Registry and perform basic nursing skills and personal care activities. Nurse Aide I activities are delegated by a	required refresher training. Paraprofessionals providing this service must be supervised by a Qualified Professional. Supervision must be provided according to supervision requirements specified in 10A NCAC 27G.0204 and according to licensure or certification requirements of the appropriate discipline. Must have a criminal record check A healthcare registry check is required in accordance with 10A NCAC 27G.0200	2. Nurse Aide I: Nurse Aides at this level are listed on the North Carolina Nurse Aide Registry and perform basic nursing skills and personal care activities. Nurse Aide I activities are delegated by a licensed nurse based on the knowledge, skill, training, and competence of the individual aide. Nurse Aides at this level must successfully complete an orientation program specific to the employing facility, and must successfully complete a training and competency evaluation approved by DHHS. The training and competency evaluation program must be successfully completed within four months of the employment date. During the four month

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MEDICAL ASSISTANCE  
STATE NORTH CAROLINA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES  
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23. Any other Medical Care and any other type of remedial care recognized under State law, specified by the Secretary.

PERSONAL CARE SERVICES

Personal Care Services are reimbursed under the authority of 42 CFR 440.167 and when provided as defined in Attachment 3.1-A.1, Page 19, of this State Plan.

Effective October 1, 2013, payment for Personal Care Services (PCS) shall be reimbursed to providers, who are allowed to bill PCS in fifteen (15) minute increments of care at a rate of \$3.28 per unit. The agency's fee schedule rate is based upon historical cost data collected from the provider community. This rate will be a prospective rate and shall not be subject to any cost settlements.

Except as otherwise noted in the plan, the state-developed fee schedule rate is the same for both governmental and non-governmental providers of Personal Care Services. This rate is published at <http://www.ncdhhs.gov/dma/fee/index.htm>. Subsequent to the initial effective date of the Personal Care Services rate, this rate shall be adjusted annually using the Medicare Home Health Agency market basket index unless otherwise noted on Supplement 1, page 1b to the 4.19-B section.

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

Payments for Medical and Remedial Care and Services

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Payment for Personal Care Services for Adults and Children:

SFY 2012 – Rates will be frozen at the rate in effect on June 30, 2011. Effective November 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. This methodology ends December 31, 2012.

SFY 2013 – Effective January 1, 2013, a new rate is established as calculated in the methodology as described on Attachment 4.19-B, Section 23, Page 6.

All rates for this service are published at <http://www.ncdhhs.gov/dma/fee/index.htm>.

SFY 2014 – Effective October 1, 2013, a new rate is established as calculated in the methodology as described on Attachment 4.19-B, Section 23, Page 6.

Reference: Attachment 4.19-B, Section 23, Page 6

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