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State/Territory Name: North Carolina

State Plan Amendment (SPA) #: 13-029

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

October 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, 13-029 – Lab and X-Ray Services

Dear Dr. Cummings:

We have reviewed the proposed State Plan Amendment TN 13-029, which was submitted on September 24, 2013. This amendment implements a rate freeze for Lab and X-Ray Services in North Carolina for fiscal years 2014 and 2015.

Based on the information provided, the Medicaid State Plan Amendment NC 13-029 was approved on October 20, 2014. The effective date of this amendment is August 1, 2013. We are enclosing the HCFA Form 179 and the approved plan pages.

If you have any additional questions or need further assistance, please contact Michelle White at 404-562-7328, 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**

FOR: HEALTH CARE FINANCING ADMINISTRATION

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

1. TRANSMITTAL NUMBER:
13-029

2. STATE
NC

3. PROGRAM IDENTIFICATION:
TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE
August 1, 2013

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 447.201

7. FEDERAL BUDGET IMPACT:

a. FFY 2014 \$0.00

b. FFY 2015 \$0.00

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-B, Section 3, Page 1 and Attachment 4.19-B,
Supplement 3, Page 1b

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (*If Applicable*):

Attachment 4.19-B, Section 3, Page 1 and Attachment
4.19-B, Supplement 3, Page 1b

10. SUBJECT OF AMENDMENT:

Laboratory and X-Ray Services

11. GOVERNOR'S REVIEW (*Check One*):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT

☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED

☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED: Secretary

12. SIGNATURE OF STATE AGENCY OFFICIAL:

//s//

13. TYPED NAME:

Aldona Z. Wos, M.D.

14. TITLE: Secretary

15. DATE SUBMITTED: 09-24-13

16. RETURN TO:

Office of the Secretary
Department of Health and Human Services
2001 Mail Service Center
Raleigh, NC 27699-20014

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

09-24-13

18. DATE APPROVED: 10-20-14

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

08-01-13

20. SIGNATURE OF REGIONAL OFFICIAL:

//s//

21. TYPED NAME:

Jackie Glaze

22. TITLE: Associate Regional Administrator

Division of Medicaid & Children Health Opns

23. REMARKS:

MEDICAL ASSISTANCE
State: NORTH CAROLINA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICE

3. Laboratory and X-ray Services

Fees for independent laboratory services shall be the lower of the submitted charge or the appropriate fee from the fee schedule in effect on July 1, 1990.

- a. Annual fees are increased each January 1, based on the forecast of the Gross National Product (GNP) implicit price deflator, but not to exceed the percentage increase granted by the N.C. State Legislature and not to exceed the Medicare maximum fees.
- b. Fees for new services are established based on fees for similar existing services. If there are no similar services the fee is set at the Medicare maximum fee. If there is no Medicare fee available, the fee is established at 60 percent of charges until a Medicare fee is established.

The above methodology shall also apply to laboratory services paid to hospital outpatient facilities, physicians, and any provider supplying outpatient laboratory services.

Services reimbursed under the above methodology are not subject to cost settlement.

Notwithstanding any other provision, if specified, these rates will be adjusted as shown on Attachment 4.19-B, Supplement 3, Page 1b of the State Plan.

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 and X-Ray:

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 November 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.

SFY 2014 – Effective August 1, 2013, the rates are frozen as of the rate in effect at June 30, 2013. 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.

SFY 2015 – Effective July 1, 2014, the rates are frozen at the rate in effect as of June 30, 2014. 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 3, page 1

TN No: 13-029
Supersedes
TN No. 11-026

Approval Date: 10-20-14

Eff. Date: 08/01/13