

## **Table of Contents**

**State/Territory Name: North Carolina**

**State Plan Amendment (SPA) #:13-039**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) Summary Form 179
- 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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December 12, 2013

Ms. Sandra Terrell, MS, R.N., Acting Director  
Division of Medical Assistance  
Department of Health and Human Services  
2501 Mail Service Center  
Raleigh, NC 27699-2501

Re: North Carolina Title XIX State Plan Amendment, Transmittal 13-039

We have reviewed the proposed State Plan Amendment TN 13-039, which was submitted on September 24, 2013. This amendment implements a rate freeze for Home Health and Private Duty Nursing Services in North Carolina for fiscal years 2014 and 2015.

Based on the information provided, the Medicaid State Plan Amendment NC 13-039 was approved on December 12, 2013. 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 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

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
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61 Forsyth Street, Suite 4T20  
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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:  
13-039

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  
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 447.200

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, Supplement 1, Page 1 and Attachment 4.19-B, Supplement 1, Page 1c

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):

Attachment 4.19-B, Supplement 1, Page 1 and Attachment 4.19-B, Supplement 1, Page 1c

10. SUBJECT OF AMENDMENT:

Home Health (HH) and Private Duty Nursing Services (PDN)

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:

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: 12-12-13

**PLAN APPROVED – ONE COPY ATTACHED**

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:

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 Home Health Services:

FY 2003 – No adjustment for other services.

FY 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 these programs (Home Health) for the state fiscal years 2005- 2006 and 2006-2007 will remain at the rate in effect as of June 30, 2005.

FY 2007 - Effective 1/1/2007 inflationary increases were applied to the following programs:

Home Health received an increase of 2.98%.

FY 2009-2010 – No inflationary adjustment and 5.73% rate reduction (annualized over nine months) for Home Health.

FY 2010-2011- No inflationary or rate adjustments for Home Health.

FY 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.

FY 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.

SFY 2014 – The rates will be frozen at the rates in effect on June 30, 2013. There will be no further annual adjustment.

SFY 2015 - Rates will be frozen at the rate in effect on June 30, 2014. There will be no further annual adjustments this state fiscal year.

Reference: Attachment 4.19-B, Section 7, Pages 1- 4

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TN No: 13-039  
Supersedes  
TN No: 11-037

Approval Date : 12-12-13

Eff. Date: 8/1/2013

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 Private Duty Nursing Services:

FY 2003 – A 5% rate reduction is applied to Private Duty Nursing.

FY 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 Private Duty Nursing for the state fiscal years 2005- 2006 and 2006-2007 will remain at the rate in effect as of June 30, 2005.

FY 2007 - Effective 1/1/2007 an inflationary increase of 4.25% is applied to Private Duty Nursing services.

FY 2009-2010 – No inflationary adjustment and 5.73% rate reduction (annualized over nine months) for Private Duty Nursing.

FY 2010-2011- No inflationary or rate adjustments are made for Private Duty Nursing.

FY 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.

FY 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.

SFY 2014 – The rates will be frozen at the rates in effect on June 30, 2013. There will be no further annual adjustment.

SFY 2015 - Rates will be frozen at the rate in effect on June 30, 2014. There will be no further annual adjustments this state fiscal year.

Reference: Attachment 4.19-B, Section 8, Page 1

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TN No: 13-039  
Supersedes  
TN No: 11-037

Approval Date: 12-12-13

Eff. Date: 8/1/2013