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State/Territory Name: North Carolina

State Plan Amendment (SPA) #: 14-0033

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

January 19, 2017

Mr. Dave Richard
Deputy Secretary
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 # NC 14-0033

Dear Mr. Richard:

We reviewed the proposed amendment to the North Carolina Medicaid State Plan Amendment (SPA) NC 14-0033 (DME) that was submitted to CMS on September 30, 2014. This amendment originally proposed implementing a 1 percent rate reduction and rate freeze for subsequent years. After intensive collaboration with CMS, the State removed the 1 percent rate reduction and revised the SPA pages to clarify that this program will be reimbursed at the lower of the supplier's usual and customary billed charges or the maximum fees set at the North Carolina Medicaid fee schedule in effect at a given point in time.

Based on the information provided, we are now ready to approve the Medicaid State Plan Amendment NC 14-0033. This SPA was approved on January 19, 2017. The effective date of this amendment is January 1, 2015. We are enclosing the signed paper-based HCFA-179 and the approved plan pages.

If you have any questions or need any 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 & Children's Health Operations

Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: 14-033	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 January 1, 2015	
5. TYPE OF PLAN MATERIAL (<i>Check One</i>):			
<input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" 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 414.200		7. FEDERAL BUDGET IMPACT: a. FFY 2015 (\$468,760) b. FFY 2016 (\$625,013)	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B Supplement 2, Page 1b.1		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>): Attachment 4.19-B Supplement 2, Page 1b.1	
10. SUBJECT OF AMENDMENT: Durable Medical Equipment (DME) Services			
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: //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: 09/18/14			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: 09/30/14		18. DATE APPROVED: 01/19/17	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: 01/01/15		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 block # 7, 8, and 9			
Block # 7 changed to read: 7a FFY2015 (\$0) and 7b FFY2016 (\$0)			
Block # 8 changed to read: Attachment 4.19-B, Section 7, page 4 and 4.19.-B/Supplement 2, page 1b.			
Block # 8 changed to read: Attachment 4.19-B, Section 7, page 4 and 4.19.-B/Supplement 2, page 1b,			

MEDICAL ASSISTANCE
STATE: NORTH CAROLINA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICE

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- (b) Participation in the program is limited to providers who accept, as payment in full, the amounts paid in accordance with this plan.
- (c) In all circumstances involving third party payment, Medicaid is the payor of last resort. Any amounts paid by non-Medicaid sources are deducted in determining Medicaid payment. For patients with both Medicare and Medicaid coverage, Medicaid payment is limited to the amount of Medicare-related deductibles and/or coinsurance for services, supplies and equipment covered under the Medicare program.
- (d) Excess payments may be recouped from any provider found to be billing amounts in excess of its customary charges, or costs if charges are nominal.

B. DURABLE MEDICAL EQUIPMENT:

- (a) Payment for each claim for durable medical equipment and associated supplies shall be equal to the lower of the supplier's usual and customary billed charges or the maximum fee established for each item of durable medical equipment or related supply. The maximum fees are set at the Medicaid fee schedule in effect on July 1, 2012. The DME fee schedule is published on the NC Division of Medical Assistance Web site at <http://dma.ncdhhs.gov/providers/fee-schedules?page=1>. Fees for added equipment shall be at Medicare Part B Fees. If a Medicare fee cannot be obtained for added equipment, then the fee shall be based on an estimate of reasonable cost. [The maximum allowable fee may be adjusted for any changes resulting from market and cost analysis conducted by the Division of Medical Assistance.] There shall be no retroactive payment adjustments for fee changes.
- (b) Each equipment item shall be assigned to one of the following categories of payment methods:
 - (1) Purchase fee paid for inexpensive, routinely purchased, and customized equipment, and DME Supplies.

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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TN. No: 14-033
Supersedes
TN. No: 13-013

Approval Date: 01/19/17

Eff. Date: 01/01/2015