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State/Territory Name: North Carolina

State Plan Amendment (SPA) #:14-0040

This file contains the following documents in the order listed:

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



Financial Management Group

May 12, 2015

Dr. Robin Cummings, Director
Division of Medical Assistance
North Department of Health and Human Services
2001 Mail Service Center
Raleigh, NC 27699-2001

RE: State Plan Amendment NC 14-040

Dear Dr. Cummings:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number (TN) 14-040. Effective January 1, 2015 this amendment proposes to revise the payment methodology for nursing facility services. Specifically, this amendment proposes to freeze the case mix index used to adjust the direct care component of the per diem rate at the index in effect as of December 31, 2014. Also, effective June 1, 2015 the payment rates in effect May 31, 2014 will be increased by three (3%) percent.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a), 1902(a)(13), 1902(a)(30), and 1903(a) of the Social Security Act and the implementing Federal regulations at 42 CFR Part 447. We have found that the proposed changes in payment methodology comply with applicable requirements and therefore have approved them with an effective date of January 1, 2015. We are enclosing the CMS-179 and the amended approved plan pages.

If you have any questions, please call Stanley Fields at (502) 223-5332.

Sincerely,

//s//

Timothy Hill
Director

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION	1. TRANSMITTAL NUMBER: 14-040	2. STATE NC
	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 (*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	7. FEDERAL BUDGET IMPACT: a. FFY 2015 (\$ 5,959,014) b. FFY 2016 (\$18,885,321)
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-D Supplement 1, Page 3 and Attachment 4.19-D Supplement 1, Page 4	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>): Attachment 4.19-D Supplement 1, Page 3 and Attachment 4.19-D Supplement 1, Page 4

10. SUBJECT OF AMENDMENT:

Nursing Facilities

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: 09/22/15	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: 09-30-14	18. DATE APPROVED: 05-12-15
PLAN APPROVED – ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: 01/01/15	20. SIGNATURE OF REGIONAL OFFICIAL: //s//
21. TYPED NAME: Timothy Hill	22. TITLE: Director

23. REMARKS: Approved with the following changes to block #7a and 7b as authorized by state agency:

Block # 7a changed to read: FFY 2015 \$5,959,014 and Block # 7b changed to read: FFY 2016 \$18,885,321.

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

Payment for Services – Prospective Reimbursement Plan for Nursing Care Facilities

Payment for Nursing Facility Beds:

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.

FY 2007 – An appropriated 1.482% recurring inflationary increase for the Nursing Home program will be effective January 1, 2007.

FY 2009-2010 – The rates for SFY2010 are frozen as of the rates in effect July 1, 2009. Effective October 1, 2009 an overall rate reduction adjustment of 1.30% rate reduction (annualized over 8 months) for Nursing Care facilities.

FY 2010-2011 – Effective January 1, 2011, rates will be adjusted for an increase of 2.15% for Nursing Care facilities.

FY 2011-2012 – Effective July 1, 2011, rates will be adjusted for a decrease of 3.06% for Nursing Care facilities.

FY 2012 – Effective April 1, 2012, the direct and indirect components of reimbursement rates will be adjusted for an increase of 3.129% for Nursing Care facilities.

FY 2012-2013 – As of July 1, 2012, rates will be adjusted to reflect a flat, 2.17% reduction on the direct and indirect components of the Nursing Facility rates in effect on June 30, 2011. Rates will be reviewed annually prior to each September 1st of the succeeding calendar year.

SFY 2014 – Effective January 1, 2014, rates in effect as of December 31, 2013 will be reduced by 3% and there after shall only be adjusted by the quarterly case mix adjustment applied to the direct care component of the per diem rate.

SFY 2015 – Effective July 1, 2014, rates will be frozen at the rates in effect June 30, 2014. Effective January 1, 2015, the case mix for direct care services will be frozen, and the rates will not increase above the rate in effect on December 31, 2014. Effective June 1, 2015, the rates in effect as of May 31, 2014 will be increased by 3%.

Reference: Attachment 4.19-D, Page 1 thru 5

TN. No. 14-040
Supersedes
TN. No. 14-010

Approval Date: 05-12-15

Eff. Date: 01/01/2015

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

Payment for Services – Prospective Reimbursement Plan for Nursing Care Facilities

Payment for Nursing Facility Beds – Continued:

SFY 2016 – Effective July 1, 2015, rates will be frozen at the rates in effect on June 30, 2015. There will be no further adjustments this state fiscal year.

Reference: Attachment 4.19-D, Page 1 thru 5

TN. No. 14-040
Supersedes
TN. No. NEW

Approval Date: 05-12-15

Eff. Date: 01/01/2015