

Table of Contents

State/Territory Name: North Carolina

State Plan Amendment (SPA) #: 14-0045

This file contains the following documents in the order listed:

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

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, MD 21244-1850



Financial Management Group

January 18, 2017

Mr. Dave Richard
Deputy Secretary
Division of Medical Assistance
2001 Mail Service Center
Raleigh, NC 27699-2501

RE: State Plan Amendment NC 14-045

Dear Mr. Richards:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid state plan submitted under transmittal number (TN) 14-0045. Effective January 1, 2015 this amendment modifies the State's reimbursement methodology for setting payment rates for Psychiatric Residential Treatment Facility (PRTFs) services. Specifically, this amendment proposes to freeze rates in effect for PRTFs as of July 1, 2012. Also, future rates increases will be determined using the Medicare principles of reimbursement and providers will fill the CMS 2552-10 cost report as the bases for rate negotiations.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a), 1902(a)(13), 1902(a)(30), 1903(a) and 1923 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//

Kristin Fan
Director

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**1. TRANSMITTAL NUMBER:
14-0452. 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, 20155. TYPE OF PLAN MATERIAL (*Check One*):☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN ☒ AMENDMENTCOMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (*Separate Transmittal for each amendment*)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR 447.362

7. FEDERAL BUDGET IMPACT:

a. FFY 2015 (\$14,001)
b. FFY 2016 (\$18,668)8. PAGE NUMBER OF THE PLAN SECTION OR
ATTACHMENT(s):

Attachment 4.19-A, Supplement 1, Page 2

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION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

Attachment 4.19-A, Supplement 1, Page 2

10. SUBJECT OF AMENDMENT:

Psychiatric Residential Treatment Facility (PRTF) Program

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: 09/22/14

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: 09/30/14

18. DATE APPROVED: 01/18/17

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

01/01/15

20. SIGNATURE OF REGIONAL OFFICIAL:

//s//

21. TYPED NAME: Kristin Fan

22. TITLE:

Director, FMG

23. REMARKS: Approved with the following change 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-A, page 44 and Attachment 4.19-A Supplement 1, Page 2.

Block # 9 changed to read: Attachment 4.19-A, page 44 and Attachment 4.19-A Supplement 1, Page 2.

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

Payments for Medical and Remedial Care and Services: Inpatient Hospital

INPATIENT PSYCHIATRIC FACILITY SERVICES FOR INDIVIDUALS UNDER 21 YEARS OF AGE

Effective on or after January 1, 2015, the Division of Medical Assistance will negotiate prospective facility rates with private and public providers of psychiatric residential treatment facility services. Said negotiated prospective rates shall be based on reasonable costs. Reasonable costs are determined by the Division of Medical Assistance based upon the standards set in the CMS -15 Parts I and II of the Provider Reimbursement Manuals.

Effective for dates of service provided on or after January 1, 2015 the rates are frozen at the rates in effect as of July 1, 2012

The per diem rates for existing facilities were set as of July 1, 2012 and are effective for services provided on or after that date. These rates were established utilizing reasonable costs from the providers cost modeling template. Reasonable costs were determined based on standards set in the CMS-15 Provider Reimbursement Manual.

Rates for new facilities are established at the statewide average of existing PRTF facilities. After one (1) year of operations, a final prospective rate is established using the submitted CMS 2552-10 cost report.

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

Payments for Medical and Remedial Care and Services: Inpatient Hospital

INTENTIONALLY LEFT BLANK

TN. No. 14-045
Supersedes
TN. No. 13-014

Approval Date: 01/18/17

Eff. Date: 01/01/2015