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State/Territory Name: North Carolina

State Plan Amendment (SPA) #:16-0009

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

March 22, 2017

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

Attention: Teresa J. Smith

RE: State Plan Amendment NC 16-0009

Dear Mr. Richards:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid state plan submitted under transmittal number (TN) 16-0008. Effective December 1, 2016 this amendment modifies the State's reimbursement methodology for setting payment rates for nursing facility services. Specifically, this amendment will freeze the rates in effect as of June 30, 2015 for Geropsychiatric services.

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 December 1, 2016. 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: 16-009	2. STATE NC
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
FOR: HEALTH CARE FINANCING ADMINISTRATION		
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE December 1, 2016

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 Subpart C	7. FEDERAL BUDGET IMPACT: a. FFY 2017 \$0.00 b. FFY 2018 \$0.00
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-D, Page 7c, and Attachment 4.19-D, Supplement 1, Page 2	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>): Attachment 4.19-D, Page 7c, and Attachment 4.19-D, Supplement 1, Page 2

10. SUBJECT OF AMENDMENT:

Geropsychiatric Services

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:	16. RETURN TO: Office of the Secretary Department of Health and Human Services 2001 Mail Service Center Raleigh, NC 27699-20014
13. TYPED NAME: Richard O. Brajer	
14. TITLE: Secretary	
15. DATE SUBMITTED:	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: 12/29/16	18. DATE APPROVED: 03/22/17
PLAN APPROVED – ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: 12/01/16	20. SIGNATURE OF REGIONAL OFFICIAL: //s//
21. TYPED NAME: Kristin Fan	22. TITLE: Director, FMG

23. REMARKS:

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

- (C) Cost reports for this service shall be filed in accordance with Section .0104 but there shall not be cost settlements for any difference between cost and payments. The cost data provided by these cost reports shall be used to determine reasonable Medicaid cost for the delivery of this service. Providers of this service are required to annually file a cost report with the Division. Any Provider delinquent 30 days from the required filing date shall be subject to a 20% withhold of Medicaid payments. The payment withhold shall continue until a completed cost report is received by the Division. Once the Provider is compliant, all withheld payments shall be returned to the Provider.
- (D) A single all-inclusive prospective per diem rate combining both the direct and indirect cost components can be negotiated for nursing facilities that specialize in providing intensive services for geropsychiatric patients. The negotiated rate is based on the most recent filed annual cost report as required by Section .0104. It is considered to provide payment for all financial considerations and shall not include the fair rental value adjustment as defined in Section .0102. The negotiated rate will be paid to the facility for services provided to geropsychiatric patients only.
- (E) Geropsychiatric unit rates are determined by applying the index factor to the current rate. The index factor shall be based on the Skilled Nursing Facility Market Basket without Capital Index published by Global Insight using the most current quarterly publication available. If necessary, the Division of Medical Assistance shall adjust the annual index factor or rates in order to prevent payment rates from exceeding upper payment limits established by Federal Regulations. Effective for dates of service provided on or after December 1, 2016 the rates are frozen at the rates in effect as of July 1, 2012. The agency's fee schedule rates were set as of July 1, 2012 and are effective for services provided on or after that date. All rates are published on the website at <https://medicaid.ncdhhs.gov/fee-schedule-index>.
- (F) Either the geropsychiatric provider or the Division of Medical Assistance may initiate a written request to appeal or renegotiate the rate within sixty (60) days of the date of the Division of Medical Assistance's rate notification.

TN No. 16-009
Supersedes
TN No. 08-007

Approval Date: March 22, 2017

Effective Date: 12/01/2016

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

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TN. No. 16-009
Supersedes
TN. No. 13-032

Approval Date: MAR 22 2017

Eff. Date: 12/01/2016