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State/Territory Name: North Carolina

State Plan Amendment (SPA) #: 18-0001

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

July 3, 2018

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

Dear Mr. Richard:

We have reviewed the proposed amendment to the North Carolina Medicaid State Plan (SPA) NC 18-0001 (Durable Medical Equipment-Metabolic Formula) that was initially submitted on April 30, 2018. This state plan amendment was submitted in order change the metabolic formula reimbursement rate. Metabolic formula will now be based on the current State Maximum Allowable Cost. Metabolic formula is a specially formulated medical food for recipients with metabolic disorder.

Based on the information provided, the Medicaid State Plan Amendment NC 18-0001 was approved on July 3, 2018. The effective date of this amendment is April 3, 2018. We are enclosing the approved HCFA 179 and the plan pages.

Should you have questions or need further assistance, please contact Donald Graves at (919) 828-2999.

Sincerely,

//s//

Shantrina D. Roberts, MSN
Associate Regional Administrator
Division of Medicaid and Children's Health Operations

Enclosure

[illegible]

MEDICAL ASSISTANCE
STATE: NORTH CAROLINA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICE

- (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. Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers. The DME fee schedule is published on the NC Division of Medical Assistance Web site at <https://dma.ncdhhs.gov/providers/fee-schedule/durable-medical-equipment-dme-fee-schedule>. 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) Effective January 1, 2018, blood glucose testing equipment and supplies shall be reimbursed based on the current State Maximum Allowable Cost. Blood glucose testing equipment and supplies are defined as blood glucose monitors, blood glucose test strips, lancing devices, lancets, and control solution.
- (c) Effective April 3, 2018, metabolic formula shall be reimbursed based on the current State Maximum Allowable Cost. Metabolic formula is a specially formulated medical food for recipients with metabolic disorder.
- (d) Each equipment item shall be assigned to one of the following categories of payment methods:

Purchase fee paid for inexpensive, routinely purchased, and customized equipment, and DME Supplies.