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State/Territory Name: North Carolina

State Plan Amendment (SPA) #:13-013

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) Summary Form 179
- 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

December 11, 2013

Ms. Sandra Terrell, MS, R.N., Acting Director
Division of Medical Assistance
Department of Health and Human Services
2501 Mail Service Center
Raleigh, NC 27699-2501

Re: North Carolina Title XIX State Plan Amendment, Transmittal 13-013

We have reviewed the proposed State Plan Amendment TN 13-013, which was submitted on September 24, 2013. This amendment implements a rate freeze for Durable Medical Equipment in North Carolina for fiscal years 2014 and 2015.

Based on the information provided, the Medicaid State Plan Amendment NC 13-013 was approved on December 11, 2013. The effective date of this amendment is August 1, 2013. We are enclosing the HCFA Form 179 and the approved plan pages.

If you have any additional questions or need further assistance, please contact Clarence Lewis at 803-898-7647, or Donald Graves at 919-828-2999.

Sincerely,



Jackie Glaze
Associate Regional Administrator
Division of Medicaid and Children's Health Operations

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FOR: HEALTH CARE FINANCING ADMINISTRATION

**TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES**

1. TRANSMITTAL NUMBER:
13-013

2. STATE
NC

3. PROGRAM IDENTIFICATION:
TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE
August 1, 2013

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 440.200.

7. FEDERAL BUDGET IMPACT:

a. FFY 2014 \$0.00
b. FFY 2015 \$0.00

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-B, Supplement 2, page 1b
Attachment 4.19-B, Supplement 2, Page 1b.1

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION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

Attachment 4.19-B, Supplement 2, page 1b

10. SUBJECT OF AMENDMENT:

Durable Medical Equipment (DME)

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:



13. TYPED NAME:

Aldona Z. Wos, M.D.

14. TITLE:

Secretary

15. DATE SUBMITTED:

9/24/13

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:
09-24-13

18. DATE APPROVED: 12-11-13

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
08-01-13

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

Jackie Glaze

22. TITLE: Associate Regional Administrator
Division of Medicaid & Children Health Opns

23. REMARKS:

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

Payments for Medical and Remedial Care and Services

Payment for Medical Equipment:

SFY 2003 – No adjustment.

SFY 2004 – No adjustment for Durable Medical Equipment effective August 1, 2003.

SFY 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.

NC General Assembly legislation mandates that effective July 1, 2005, reimbursement rates for Medical Equipment for the state fiscal years 2005-2006 and 2006-2007 will remain at the rate in effect as of June 30, 2005 except Medicaid rates may be adjusted downward in accordance with the current year's downward adjustments to the Medicare fee schedule.

SFY 2010 – The rates for SFY 2010 are frozen as of the rates in effect at July 1, 2009, except Medicaid rates may be adjusted downward in accordance with the current year's downward adjustments to the Medicare fee schedule. Effective October 1, 2009, an overall rate adjustment of -4.16% was applied to the existing rates. There will be no further annual adjustment.

SFY 2011 – For SFY 2011, the rate will be frozen at the rate in effect on June 30, 2010.

SFY 2012 – Rates will be frozen at the rate in effect on June 30, 2011. Effective November 1, 2011, existing rates are adjusted by a negative 2.66% to yield a twelve (12) month two percent (2%) reduction in the nine (9) remaining months of this State Fiscal Year.

SFY 2013 – Effective July 1, 2012, the rates will be adjusted such that they will equal 98% of the rate in effect July 1, 2011. There will be no further annual adjustments this state fiscal year except that Medicaid rates may be adjusted downward in accordance with the current years downward adjustments to the Medicare fee schedule.

SFY 2014 – As of July 1, 2013 rates will be frozen as in effect June 30, 2013. There will be no further adjustments except that Medicaid rates may be adjusted downward in accordance with the applicable years downward adjustments to the Medicare fee schedule.

Reference: Attachment 4.19-B, Section 7, Page 4

TN. No: 13-013
Supersedes
TN. No: 11-019

Approval Date: 12-11-13

Eff. Date 08/01/13

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

Payments for Medical and Remedial Care and Services

Payment for Medical Equipment Continued:

SFY 2015 - As of July 1, 2014 rates will be frozen as in effect June 30, 2014. There will be no further adjustments except that Medicaid rates may be adjusted downward in accordance with the applicable years downward adjustments to the Medicare fee schedule.

Reference: Attachment 4.19-B, Section 7, Page 4

TN. No: NEW
Supersedes
TN. No:

Approval Date: 12-11-13

Eff. Date 8/01/13