December 21, 2021

Dave Richard
Deputy Secretary, NC Medicaid
North Carolina Department of Health and Human Services
2501 Mail Service Center
Raleigh, NC 27699-2501

Re: North Carolina State Plan Amendment (SPA) 21-0014

Dear Mr. Richard:

We have reviewed the proposed amendment to add section 7.4.A. Rescissions to the State's Disaster Relief Policies for the COVID-19 National Emergency to North Carolina's Medicaid state plan, as submitted under transmittal number (TN) 21-0014. This amendment proposes to rescind a temporary rate increase for inpatient hospital services as approved under Medicaid SPA TN 20-0009.

We conducted our review of your submittal according to the statutory requirements at section 1902(a) of the Social Security Act and implementing regulations. Section 7.4 of the Medicaid state plan provides temporary authority for these provisions and is intended to be in effect only for the duration of the COVID-19 public health emergency. Due to the temporary nature of this provision, Medicaid SPA TN 21-0014 is approved effective July 1, 2021.

Enclosed is a copy of the CMS-179 summary form and the approved state plan page.

If you have any questions regarding this amendment, please contact William Pak at (404) 562-7407 or via email at William.Pak@cms.hhs.gov.

Sincerely,

Alissa M. Deboy -S
On Behalf of Anne Marie Costello, Deputy Director
Center for Medicaid and CHIP Services

Digitally signed by Alissa M. Deboy -S
Date: 2021.12.21 12:52:03 -05'00'
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: 21-0014
2. STATE NC
3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

4. PROPOSED EFFECTIVE DATE
July 1, 2021

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)

42 CFR §447.201

7. FEDERAL BUDGET IMPACT:
   a. FFY 2021 $0.00
   b. FFY 2022 $0.00

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
Section 7.4-A, page 1(new)

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):
Section 7.4-A, page 1(new)

10. SUBJECT OF AMENDMENT:
Inpatient Hospital Reimbursement (rescinding SPA 20-0009)

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: Mandy Cohen, MD, MPH
14. TITLE: Secretary
15. DATE SUBMITTED: 9/28/2021

16. RETURN TO:
Office of the Secretary
Department of Health and Human Services
2001 Mail Service Center
Raleigh, NC 27699-20014

17. DATE RECEIVED: September 28, 2021
18. DATE APPROVED: December 21, 2021

19. EFFECTIVE DATE OF APPROVED MATERIAL: July 1, 2021
20. SIGNATURE OF REGIONAL OFFICIAL: Alissa M. DeBoy -S

21. TYPED NAME: Alissa Mooney DeBoy
22. TITLE: On Behalf of Anne Marie Costello, Deputy Director, Center for Medicaid and CHIP Services

23. REMARKS:
7.4.A. Rescissions to the State’s Disaster Relief Policies for the COVID-19 National Emergency

Effective July 1, 2021, the agency rescinds the temporary election applied under Session Law 2020-4 (House Bill 1043) and amended by Session Law 2021-3 (House Bill 196) for inpatient hospital services for North Carolina PHE Disaster SPA 20-0009.

This amendment discontinues a subset of the temporary COVID-19 5% legislative rate increase effective 7/1/2021. Hospital inpatient rate methodology will be implemented as outlined in CMS approved SPA 21-0004.