

Table of Contents

State/Territory Name: North Carolina

State Plan Amendment (SPA) #: 22-0006

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S3-14-28
Baltimore, Maryland 21244-1850



Financial Management Group

August 16, 2022

Dave Richard
Office of the Secretary
Department of Health and Human Services
2001 Mail Service Center
Raleigh, NC 27699-20014

Reference: State Plan Amendment (SPA) NC-22-0006

Dear Mr. Richard:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State Plan submitted under transmittal number (TN) 22-0006. This amendment proposes to increase Medicaid Direct rates for Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICFs/IID), including ICF/IID-level group homes, enrolled in the Medicaid / NC Health Choice program. ICF/IID providers receiving this rate increase shall be required to use at least eighty percent (80%) of the funding that results from the rate increase to raise pay rates to direct care employees.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903(a) of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C.

This is to inform you that Medicaid State Plan Amendment NC-22-0006 is approved, effective February 1, 2022. The CMS-179 and the plan pages are attached.

If you have any additional questions or need further assistance, please contact James Francis at 857-357-6378 or james.francis@cms.hhs.gov.

Sincerely,



Rory Howe
Director

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER

2 2 — 0 0 0 6

2. STATE

NC

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL

SECURITY ACT XIX XXI

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

February 1, 2022

5. FEDERAL STATUTE/REGULATION CITATION

42 CFR §440.150

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 22 \$ 160,702

b. FFY 23 \$ 228,446

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

**Attachment 4.19-D, Addendum ICF-MR
Supplement 1, Page 1a**

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (if Applicable)

**Attachment 4.19-D, Addendum ICF-MR
Supplement 1, Page 1a**

9. SUBJECT OF AMENDMENT

ICF IID Medicaid Direct Rates

10. 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**

DocuSigned by: [REDACTED] RE OF STATE AGENCY OFFICIAL

15. RETURN TO

Office of the Secretary
Department of Health and Human Services
2001 Mail Service Center
Raleigh, NC 27699-20014

12. TYPED NAME

Kody H. Kinsley

13. TITLE

Secretary

14. DATE SUBMITTED **March 29, 2022**

FOR CMS USE ONLY

16. DATE RECEIVED

03/29/2022

17. DATE APPROVED

August 16, 2022

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL

02/01/2022

19. SIGNATURE OF APPROVING OFFICIAL
[REDACTED]

20. TYPED NAME OF APPROVING OFFICIAL

Rory Howe

21. TITLE OF APPROVING OFFICIAL

Director, Financial Management Group

22. 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 ICF/MR Services - Continued:

FY 2009-2010 - The rates for SFY2010 are frozen as of the rates in effect July 1, 2009.

FY 2010-2011 – Effective January 1, 2011, an overall rate increase of 8.35% for ICF-MR facilities.

FY 2011-2012 – Rates will be frozen at the rate in effect on June 30, 2011. Effective November 1, 2011, the June 30, 2011 rates will be adjusted by a negative 5.02% to yield a twelve (12) month two percent (2%) budget reduction and to offset the decrease in the FMAP from ARRA to normal in the nine (9) remaining months of this State Fiscal Year. The direct portion of the rate will receive a decrease of 4.41% while the indirect portion will receive a rate decrease of 6.62%.

FY 2012-2013 – Effective July 1, 2012, the rates will be adjusted such that they will equal 96.24% of the rate in effect July 1, 2011 in order to yield a twelve (12) month two percent (2%) budget reduction and to offset the decrease in the FMAP from ARRA to normal. There will be no further annual adjustments this state fiscal year.

FY 2021-2022 – Effective February 1, 2022, the rates for private providers will be increased by \$102.06 per diem. This rate increase is intended to implement an increase in the hourly wages of direct care workers to a minimum of \$15.00 per hour, as directed by the General Assembly in the Operation Appropriations Act of 2021 Session Law 2021-180. Any ICF/IID provider receiving a rate increase under Session Law 2021-180 is required to use at least eighty percent (80%) of the funding that results from that rate increase to increase the rate of pay paid to its direct care employees.

Reference - Supplement to Attachment 4.19-D, Addendum ICF-MR Page 10

TN. No. 22-0006
Supersedes
TN. No. 11-042

Approval Date: **August 16, 2022**

Eff. Date: 02/01/2022