

## **Table of Contents**

**State/Territory Name: North Carolina**

**State Plan Amendment (SPA) #: 25-0002**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) Form CMS 179
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
601 E. 12th St., Room 355  
Kansas City, Missouri 64106



Medicaid and CHIP Operations Group

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March 14, 2025

Jay Ludlam  
Deputy Secretary  
Division of Medical Assistance  
2001 Mail Service Center  
1985 Umstead Drive  
Raleigh, NC 27699-20014

Re: North Carolina State Plan Amendment (SPA) - 25-0002

Dear Mr. Ludlam:

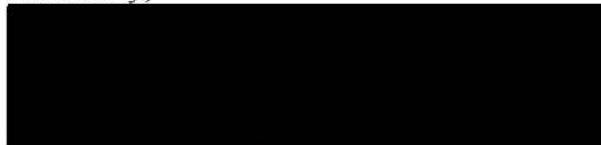
The Centers for Medicare & Medicaid Services (CMS) reviewed your Medicaid State Plan Amendment (SPA) submitted under transmittal number (TN) 25-0002. This amendment proposes to remove the medically monitored detoxification services from rehabilitative services benefit. This level of care will be provided in inpatient settings, aligning with the ASAM levels of care outlined in the state's 1115 SUD demonstration.

We conducted our review of your submittal according to statutory requirements in Title XIX of the Social Security Act. This letter informs you that North Carolina Medicaid SPA TN 25-0002 was approved on March 14, 2025, effective January 1, 2025.

Enclosed are copies of Form CMS-179 and the approved SPA pages to be incorporated into the North Carolina State Plan.

If you have any questions, please contact Morlan Lannaman at (470) 890-4232 or via email at [Morlan.Lannaman@cms.hhs.gov](mailto:Morlan.Lannaman@cms.hhs.gov).

Sincerely,



James G. Scott, Director  
Division of Program Operations

Enclosures

cc: Kathryn Horneffer, NC DHHS  
Ashley Blango, NC DHHS

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

1. TRANSMITTAL NUMBER

2 5 — 0 0 0 2

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

**January 01, 2025**

5. FEDERAL STATUTE/REGULATION CITATION

~~42 CFR 447.201~~ 42 CFR 130(d)

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 25 \$ 0  
b. FFY 26 \$ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 3.1-A.1, Page 15a.2-C  
Attachment 4.19-B, Section 13, Page 1  
Attachment 3.1-A.1 Page 15a.13

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

Attachment 3.1-A.1, Page 15a.2-C  
Attachment 4.19-B, Section 13, Page 1  
Attachment 3.1-A.1 Page 15a.13

9. SUBJECT OF AMENDMENT

**Medically Monitored or (ADATC) Alcohol Drug Addiction Treatment Center Detoxification Crisis Stabilization ASAM 4-WM**

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

11. SIGNATURE OF STATE AGENCY OFFICIAL

12. TYPED NAME

Jay Udiam

13. TITLE

Deputy Secretary

14. DATE SUBMITTED 12/03/24 | 3:15 PM EST

15. RETURN TO

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

**FOR CMS USE ONLY**

16. DATE RECEIVED

12/17/2024

17. DATE APPROVED

03/14/2025

**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL

01/01/2025

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL

James G. Scott

21. TITLE OF APPROVING OFFICIAL

Director, Division of Program Operations

22. REMARKS

NC has authorized Pen and Ink revision to the following:

3/12/25: Update CMS 179, Sections 7 and 8, to include Attachment 3.1-A.1, Page 15a.13  
3/12/25: Update CMS 179 Box 5 from 42 CFR 447.201 to 42 CFR 130(d)

## Staff Qualifications for Each Specific Service (Continued)

Service	Agency Qualifications		Staff Qualifications					
			Authorization	See Definitions for OP, AP, PP in Attachment 3.1-A.1 Pages 15a.14-15:		Medical Coverage		
	Licensed	Credentialed	Service Ordered by: MD, Nurse Practitioner, Physicians Assistant or PhD Psychologist licensed in NC	Qualified Professional (QP), includes SA Professionals	Under Supervision of a Qualified Professional:		Medical Oversight/ Participation by:	
	All facilities must be 16 beds or less				Associate Professional	Para-Professional	Psychiatrist/ MD	Registered Nurse* RNs are considered QPs as well
SA Comprehensive Output Treatment	X	X	X	X	X	X	Recipients must have access to MD assessment and tx.	
SA Non-Medical Community Residential Tx	X	X	X	X	X	X		
SA Medically Monitored Residential Tx	X	X	X	X	X	X	X	X
Ambulatory Withdrawal Management Without Extended Onsite Monitoring	X	X	X	X	X	X	X (provides assessment w/n 24 hrs.)	X (provides admission assessment /monitors tx
Ambulatory Withdrawal Management With Extended Onsite Monitoring	X	X	X	X	X	X	X	X
Clinically Managed Residential Withdrawal Services	X	X	X	X	X	X	X	X
Medically Monitored Inpatient Withdrawal Service	X	X	X	X	X	X	X (provides assessment w/n 24 hrs.)	X (provides admission assessment /monitors tx

TN No: 25-0002  
 Supersedes  
 TN No: 23-0020

Approval Date: 03/14/2025Effective Date: 01/01/2025

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MEDICAL ASSISTANCE

State: North Carolina

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICE

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13. D. OTHER DIAGNOSTIC SCREENING PREVENTIVE AND REHABILITATIVE SERVICES

- 1). Medically Monitored or Alcohol Drug Addiction Treatment Center Detoxification/Crisis Stabilization (Adult – H2036) An individual facility rate will be determined as follows:

Reimbursement rates are determined on the basis of provider specific pro forma cost information. Providers submit cost templates, and a reimbursement rate is established utilizing cost modeling. The cost model is based on agency estimates. The residential facility cost model recognizes direct care service costs for staff salaries and fringe benefits and includes qualified, associate and paraprofessionals. Other direct service costs recognized include accreditation, communications, training, and travel costs. Facility overhead costs are recognized at 11% of total direct care service costs. A calculated per diem is determined by dividing total estimated days of service provided to recipients.

The facilities providing this service are not IMD facilities and NC Medicaid is not reimbursing room and board for this service.

This service is not cost settled for any provider.

The Medically Monitored or (ADATC) Alcohol Drug Addiction Center Detoxification Crisis Stabilization benefit will be terminated effective 01/01/2025.

Accordingly, this service is removed from Staff Qualifications for Each Specific Service grid, Attachment 3.1-A.1 Page 15a.2-C.