

## **Table of Contents**

**State/Territory Name: NORTH CAROLINA**

**State Plan Amendment (SPA) #: NC-25-0015**

This file contains the following documents in the order listed:

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

**DEPARTMENT OF HEALTH & HUMAN SERVICES**

Centers for Medicare & Medicaid Services  
Center for Medicaid & CHIP Services  
230 South Dearborn  
Chicago, Illinois 60604



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**Financial Management Group**

September 12, 2025

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

RE: NC-25-0015

Dear Deputy Secretary Ludlam,

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed North Carolina State Plan Amendment (SPA) to Attachment 4.19-B, which was submitted to CMS on June 30, 2025. This plan amendment updates the 1915(i) Authority.

We reviewed your SPA submission for compliance with statutory requirements including in sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903 as it relates to the identification of an adequate source for the non-federal share of expenditures under the plan, as required by 1902(a)(2), of the Social Security Act and the applicable implementing Federal regulations.

Based upon the information provided by the state, we have approved the amendment with an effective date of April 1, 2025. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact Ysabel Gavino via email at [Maria.Gavino@cms.hhs.gov](mailto:Maria.Gavino@cms.hhs.gov).

Sincerely,

A black rectangular box redacting the signature of Todd McMillion.

Todd McMillion  
Director  
Division of Reimbursement Review

Enclosures

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b> <b>FOR: CENTERS FOR MEDICARE &amp; MEDICAID SERVICES</b>		1. TRANSMITTAL NUMBER <u>2</u> <u>5</u> — <u>0</u> <u>0</u> <u>1</u> <u>5</u>	2. STATE <u>NC</u>
		3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT <input checked="" type="radio"/> XIX <input type="radio"/> XXI	
TO: CENTER DIRECTOR CENTERS FOR MEDICAID & CHIP SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE  <u>April 01, 2025</u>	
5. FEDERAL STATUTE/REGULATION CITATION  <u>42 CFR 440.167</u>		6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY <u>25</u> \$ <u>0</u> b. FFY <u>26</u> \$ <u>0</u>	
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT <u>Attachment 4.19-B, Supplement 7, Page 1</u>		8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) <u>Attachment 4.19-B, Supplement 7, Page 1</u>	
9. SUBJECT OF AMENDMENT  <u>Update for 1915(i) Authority</u>			
10. GOVERNOR'S REVIEW (Check One) <div><input type="radio"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="radio"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="radio"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL</div> <div><input checked="" type="radio"/> OTHER, AS SPECIFIED: <u>Secretary</u></div>			
11. SIGNATURE OF STATE AGENCY OFFICIAL <div><div>DocuSigned by:</div><div></div></div>		15. RETURN TO Office of the Deputy Secretary Department of Health and Human Services 2001 Mail Service Center Raleigh, NC 27699-20014	
12. TYPED NAME <u>Jay Ludlam</u>			
13. TITLE <u>Deputy Secretary</u>			
14. DATE SUBMITTED <u>06/18/25</u>   <u>11:08</u> AM EDT			
FOR CMS USE ONLY			
16. DATE RECEIVED <u>June 30, 2025</u>		17. DATE APPROVED <u>September 12, 2025</u>	
PLAN APPROVED - ONE COPY ATTACHED			
18. EFFECTIVE DATE OF APPROVED MATERIAL <u>April 01, 2025</u>		19. SIGNATURE OF APPROVING OFFICIAL <div></div>	
20. TYPED NAME OF APPROVING OFFICIAL <u>Todd McMillion</u>		21. TITLE OF APPROVING OFFICIAL <u>Director,FMG Division of Reimbursement Review</u>	
22. REMARKS			

TN: 25-0015

Effective: 4/1/2025

Approved: September 12, 2025 Supersedes: 22-0026

### Methods and Standards for Establishing Payment Rates

1. **Services Provided Under Section 1915(i) of the Social Security Act.** For each optional service, describe the methods and standards used to set the associated payment rate. *(Check each that applies, and describe methods and standards to set rates):*

<input type="checkbox"/>	HCBS Case Management
<input type="checkbox"/>	HCBS Homemaker
<input type="checkbox"/>	HCBS Home Health Aide
<input type="checkbox"/>	HCBS Personal Care
<input type="checkbox"/>	HCBS Adult Day Health
<input checked="" type="checkbox"/>	HCBS Habilitation Supported Employment (IDD) - Concurrent 1115, 1915(b) and 1915(i) authorities will utilize a capitated payment arrangement for this service. The capitation will be described in the State's 1115 and 1915(b) waivers and approved contracts consistent with federal requirements. Community Living and Support - Concurrent 1115, 1915(b) and 1915(i) authorities will utilize a capitated payment arrangement for this service. The capitation will be described in the State's 1115 and 1915(b) waivers and approved contracts consistent with federal requirements.
<input checked="" type="checkbox"/>	HCBS Respite Care Concurrent 1115, 1915(b) and 1915(i) authorities will utilize a capitated payment arrangement for this service. The capitation will be described in the State's 1115 and 1915(b) waivers and approved contracts consistent with federal requirements.
For Individuals with Chronic Mental Illness, the following services:	
<input type="checkbox"/>	HCBS Day Treatment or Other Partial Hospitalization Services
<input type="checkbox"/>	HCBS Psychosocial Rehabilitation
<input type="checkbox"/>	HCBS Clinic Services (whether or not furnished in a facility for CMI)
<input checked="" type="checkbox"/>	Other Services (specify below)
X	Supported Employment for IDD - Concurrent 1115, 1915(b) and 1915(i) authorities will utilize a capitated payment arrangement for this service. The capitation will be described in the State's 1115 and 1915(b) waivers and approved contracts consistent with federal requirements.
X	Individual and Transitional Support - Concurrent 1115, 1915(b) and 1915(i) authorities will utilize a capitated payment arrangement for this service. The capitation will be described in the State's 1115 and 1915(b) waivers and approved contracts consistent with federal requirements.
X	Community Transition is reimbursed on an "event" basis, based on the actual cost of the service (excluding provider overhead charges). Total costs may not exceed \$5,000.00 per beneficiary.
X	Supported Employment for MH/SUD (Individual Placement and Support (IPS)) - Providers can be reimbursed per unit or based on milestones, as determined by the health plan. Concurrent 1115, 1915(b) and 1915(i) authorities will utilize a capitated payment arrangement for this service. The capitation will be described in the State's 1115 and 1915(b) waivers and approved contracts consistent with federal requirements.