



Disabled and Elderly Health Programs Group

November 21, 2019

Mr. Dave Richard
North Carolina Department of Health and Human Services
1985 Umstead Drive, 2501 Mail Service Center
Raleigh, NC 27699-2501

Dear Mr. Richard:

I am writing to inform you that CMS is granting approval of North Carolina's electronic visit verification (EVV) good faith effort exemption request. CMS has determined that your state's request is in accordance with section 1903(1)(4)(B) of the Social Security Act, as added by section 12006(a) of the 21st Century Cures Act (Cures Act). Specifically, your state has made a good faith effort to comply with EVV requirements by issuing a Request for Information to survey the marketplace for EVV vendors, reviewing other states' EVV systems, and developing a Request for Proposals for vendor selection. The state has also conducted several stakeholder engagement activities, including surveying stakeholders impacted by EVV, conducting regional provider trainings, maintaining an EVV website and inbox, outreaching to self-directed workgroups, and convening an EVV stakeholder meeting to present on EVV requirements, the state's design model, and implementation timeline. The state has also developed a communication plan that will engage stakeholders in each affected program and will convene a focus group for beneficiaries and their families.

In addition, your state has encountered unavoidable delays when implementing its EVV system, including the veto of a budget bill that included funding for EVV, which has delayed the issuing of the RFP. In addition, the state is transitioning to managed care which requires significant system reconfiguration, and the state cannot integrate EVV until this project is complete.

Because your state has sufficiently demonstrated it has made a good faith effort to comply with EVV requirements and has encountered unavoidable delays, CMS will not apply federal medical assistance percentage (FMAP) reductions in calendar year 2020. Please be advised that the Cures Act provision on good faith effort exemptions does not provide CMS with authority to delay the FMAP reductions for more than one year. Therefore, if the state is not fully compliant by January 1, 2021, FMAP reductions will be applied beginning in the first quarter of 2021 and every quarter thereafter until the state achieves compliance. If you have any questions please email EVV@cms.hhs.gov or contact your CMS Regional Office.

Sincerely,

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Ralph F. Lollar, Director
Division of Long Term Services and Supports