



STATE OF NORTH CAROLINA
DEPARTMENT OF HEALTH AND HUMAN SERVICES

ROY COOPER
GOVERNOR

MANDY COHEN, MD, MPH
SECRETARY

April 27, 2018

Davida Kimble
Acting Associate Regional Administrator
Division of Medicaid
Centers for Medicare and Medicaid Services
Region IV
Atlanta Federal Center
61 Forsyth Street, SW Suite 4T20
Atlanta, GA 30303-8909

SUBJECT: State Plan Amendment
Title XIX, Social Security Act
Transmittal #2018-000I

Dear Ms. Kimble:

Please find attached an amendment for North Carolina's State Plan under Title XIX of the Social Security Act for the Medical Assistance Program. The affected page is Attachment 4.19-B Section 7 page 4.

This State Plan increases the rates of reimbursement for Durable Medical Equipment-Metabolic Formula. The metabolic formula shall be reimbursed based on the current State Maximum Allowable Cost. Metabolic formula is a specially formulated medical food for recipients with metabolic disorder.

This amendment is effective April 3, 2018.

Your approval of this state plan amendment is requested. If you have any questions or concerns, please contact me or Teresa Smith at 919-855-4116.

Sincerely,

A handwritten signature in blue ink that reads "Mandy T. Cohen".

for Mandy Cohen, MD, MPH
Secretary

Enclosures

MEDICAL ASSISTANCE
STATE: NORTH CAROLINA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICE

- (b) Participation in the program is limited to providers who accept, as payment in full, the **amounts paid in accordance with this plan.**
- (c) In all circumstances involving third party payment, Medicaid is the payor of last resort. Any amounts paid by non-Medicaid sources are deducted in determining Medicaid payment. For patients with both Medicare and Medicaid coverage, Medicaid payment is **limited to the amount of Medicare-related deductibles and/or coinsurance for services, supplies and equipment covered under the Medicare program.**
- (d) Excess payments may be recouped from any provider found to be billing amounts in **excess of its customary charges, or costs if charges are nominal.**

B. DURABLE MEDICAL EQUIPMENT:

- (a) Payment for each claim for durable medical equipment and associated supplies shall be equal to the lower of the supplier's usual and customary billed charges or the maximum fee established for each item of durable medical equipment or related supply. The maximum fees are set at the Medicaid fee schedule in effect on July 1, 2012. The DME fee schedule is published on the NC Division of Medical Assistance Web site at <http://dma.ncdhhs.gov/providers/fee-schedules?page=1>. **Fees for added equipment shall be at Medicare Part B Fees. If a Medicare fee cannot be obtained for added equipment, then the fee shall be based on an estimate of reasonable cost. [The maximum allowable fee may be adjusted for any changes resulting from market and cost analysis conducted by the Division of Medical Assistance.] There shall be no retroactive payment adjustments for fee changes.**
- (b) Effective January 1, 2018, blood glucose testing equipment and supplies shall be reimbursed based on the current State Maximum Allowable Cost. **Blood glucose testing equipment and supplies are defined as blood glucose monitors, blood glucose test strips, lancing devices, lancets, and control solution.**
- (c) Effective April 3, 2018, metabolic formula shall be reimbursed based on the current State Maximum Allowable Cost. Metabolic formula is a specially formulated medical food for **recipients with metabolic disorder.**
- (d) Each equipment item shall be assigned to one of the following categories of payment methods:

Purchase fee paid for inexpensive, routinely purchased, and customized equipment, and DME Supplies.