



STATE OF NORTH CAROLINA  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

ROY COOPER  
GOVERNOR

KODY H. KINSLEY  
SECRETARY

March 18, 2022

James Scott, Director  
Division of Program Operations  
Department of Health & Human Services  
Centers for Medicare & Medicaid Services  
601 East 12th Street Room 355  
Kansas City, Missouri 64106

SUBJECT: State Plan Amendment  
Title XIX, Social Security Act  
Transmittal #2022-0006

Dear Mr. Scott:

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-D, Addendum ICF-MR Supplement 1, Page 1a.

This state plan amendment will allow Medicaid to increase rates for intermediate care facilities for individuals with intellectual disabilities (ICF/IIDs), including ICF/IID-level group homes, enrolled in the Medicaid or NC Health Choice program. This rate increase will be implemented as intended by the General Assembly to assist in increasing the hourly wages of direct care workers in this State towards a minimum of fifteen dollars (\$15.00) per hour. Any ICF/IID provider receiving a rate increase under Session Law 2021-180 shall be 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.

Your approval of this state plan amendment is requested. If you have any questions or concerns, please contact me or Betty J. Staton at 919-538-3215.

Sincerely,

A handwritten signature in black ink, appearing to read "Kody H. Kinsley".

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Kody H. Kinsley  
Secretary

Enclosures

State Plan Under Title XIX of the Social Security Act  
Medical Assistance Program  
State: North Carolina

Payments for Medical and Remedial Care and Services

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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

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

Approval Date:

Eff. Date: 02/01/2022