May 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 #2022-0015

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 the Medicaid Disaster Relief SPA Template.

The State Plan Amendment will end date temporary rate increases described in Disaster SPA’s 20-0008 and 20-0009. These originally were set to end with the public health emergency, but this amendment sets June 30, 2021, as the end for these rates. The fiscal impact estimates the total impact for the rates over this period.

Your approval of this state plan amendment is requested. If you have any questions or concerns, please contact me or Cecilia Williams at (919) 270-2530.

Sincerely,

Kody H. Kinsley
Secretary

Enclosures
Section 7 – General Provisions
7.4. Medicaid Disaster Relief for the COVID-19 National Emergency

On March 13, 2020, the President of the United States issued a proclamation that the COVID-19 outbreak in the United States constitutes a national emergency by the authorities vested in him by the Constitution and the laws of the United States, including sections 201 and 301 of the National Emergencies Act (50 U.S.C. 1601 et seq.), and consistent with section 1135 of the Social Security Act (Act). On March 13, 2020, pursuant to section 1135(b) of the Act, the Secretary of the United States Department of Health and Human Services invoked his authority to waive or modify certain requirements of titles XVIII, XIX, and XXI of the Act as a result of the consequences COVID-19 pandemic, to the extent necessary, as determined by the Centers for Medicare & Medicaid Services (CMS), to ensure that sufficient health care items and services are available to meet the needs of individuals enrolled in the respective programs and to ensure that health care providers that furnish such items and services in good faith, but are unable to comply with one or more of such requirements as a result of the COVID-19 pandemic, may be reimbursed for such items and services and exempted from sanctions for such noncompliance, absent any determination of fraud or abuse. This authority took effect as of 6PM Eastern Standard Time on March 15, 2020, with a retroactive effective date of March 1, 2020. The emergency period will terminate, and waivers will no longer be available, upon termination of the public health emergency, including any extensions.

The State Medicaid agency (agency) seeks to implement the policies and procedures described below, which are different than the policies and procedures otherwise applied under the Medicaid state plan, during the period of the Presidential and Secretarial emergency declarations related to the COVID-19 outbreak (or any renewals thereof), or for any shorter period described below:

Describe shorter period here.

NOTE: States may not elect a period longer than the Presidential or Secretarial emergency declaration (or any renewal thereof). States may not propose changes on this template that restrict or limit payment, services, or eligibility, or otherwise burden beneficiaries and providers.

Request for Waivers under Section 1135

_X____ The agency seeks the following under section 1135(b)(1)(C) and/or section 1135(b)(5) of the Act:

a. __X____ SPA submission requirements – the agency requests modification of the requirement to submit the SPA by March 31, 2020, to obtain a SPA effective date during the first calendar quarter of 2020, pursuant to 42 CFR 430.20.

b. __X____ Public notice requirements – the agency requests waiver of public notice requirements that would otherwise be applicable to this SPA submission. These requirements may include those specified in 42 CFR 440.386 (Alternative Benefit Plans), 42 CFR 447.57(c) (premiums and cost sharing), and 42 CFR 447.205 (public notice of changes in statewide methods and standards for setting payment rates).
c. ___X__ Tribal consultation requirements – the agency requests modification of tribal consultation timelines specified in [insert name of state] Medicaid state plan, as described below:

Medicaid will notify the Tribe of all SPA changes on or before submission to CMS and offer a telephonic meeting to discuss.

Section A – Eligibility

1. _____ The agency furnishes medical assistance to the following optional groups of individuals described in section 1902(a)(10)(A)(ii) or 1902(a)(10)(c) of the Act. This may include the new optional group described at section 1902(a)(10)(A)(ii)(XXIII) and 1902(ss) of the Act providing coverage for uninsured individuals.

Include name of the optional eligibility group and applicable income and resource standard.

2. _____ The agency furnishes medical assistance to the following populations of individuals described in section 1902(a)(10)(A)(ii)(XX) of the Act and 42 CFR 435.218:

   a. _____ All individuals who are described in section 1905(a)(10)(A)(ii)(XX)

       Income standard: _____________

       -or-

   b. _____ Individuals described in the following categorical populations in section 1905(a) of the Act:

       Income standard: _____________

3. _____ The agency applies less restrictive financial methodologies to individuals excepted from financial methodologies based on modified adjusted gross income (MAGI) as follows.

Less restrictive income methodologies:
Less restrictive resource methodologies:

4. _____ The agency considers individuals who are evacuated from the state, who leave the state for medical reasons related to the disaster or public health emergency, or who are otherwise absent from the state due to the disaster or public health emergency and who intend to return to the state, to continue to be residents of the state under 42 CFR 435.403(j)(3).

5. _____ The agency provides Medicaid coverage to the following individuals living in the state, who are non-residents:

6. _____ The agency provides for an extension of the reasonable opportunity period for non-citizens declaring to be in a satisfactory immigration status, if the non-citizen is making a good faith effort to resolve any inconsistencies or obtain any necessary documentation, or the agency is unable to complete the verification process within the 90-day reasonable opportunity period due to the disaster or public health emergency.

Section B – Enrollment

1. _____ The agency elects to allow hospitals to make presumptive eligibility determinations for the following additional state plan populations, or for populations in an approved section 1115 demonstration, in accordance with section 1902(a)(47)(B) of the Act and 42 CFR 435.1110, provided that the agency has determined that the hospital is capable of making such determinations.

   Please describe the applicable eligibility groups/populations and any changes to reasonable limitations, performance standards or other factors.

2. _____ The agency designates itself as a qualified entity for purposes of making presumptive eligibility determinations described below in accordance with sections 1920, 1920A, 1920B, and 1920C of the Act and 42 CFR Part 435 Subpart L.

   Please describe any limitations related to the populations included or the number of allowable PE periods.
3. _____ The agency designates the following entities as qualified entities for purposes of making presumptive eligibility determinations or adds additional populations as described below in accordance with sections 1920, 1920A, 1920B, and 1920C of the Act and 42 CFR Part 435 Subpart L. Indicate if any designated entities are permitted to make presumptive eligibility determinations only for specified populations.

*Please describe the designated entities or additional populations and any limitations related to the specified populations or number of allowable PE periods.*

4. _____ The agency adopts a total of _____ months (not to exceed 12 months) continuous eligibility for children under age enter age _____ (not to exceed age 19) regardless of changes in circumstances in accordance with section 1902(e)(12) of the Act and 42 CFR 435.926.

5. _____ The agency conducts redeterminations of eligibility for individuals excepted from MAGI-based financial methodologies under 42 CFR 435.603(j) once every _____ months (not to exceed 12 months) in accordance with 42 CFR 435.916(b).

6. _____ The agency uses the following simplified application(s) to support enrollment in affected areas or for affected individuals (a copy of the simplified application(s) has been submitted to CMS).

   a. _____ The agency uses a simplified paper application.

   b. _____ The agency uses a simplified online application.

   c. _____ The simplified paper or online application is made available for use in call-centers or other telephone applications in affected areas.

**Section C – Premiums and Cost Sharing**

1. _____ The agency suspends deductibles, copayments, coinsurance, and other cost sharing charges as follows:

*Please describe whether the state suspends all cost sharing or suspends only specified deductibles, copayments, coinsurance, or other cost sharing charges for specified items and services or for specified eligibility groups consistent with 42 CFR 447.52(d) or for specified income levels consistent with 42 CFR 447.52(g).*

2. _____ The agency suspends enrollment fees, premiums and similar charges for:

   a. _____ All beneficiaries

   b. _____ The following eligibility groups or categorical populations:
Please list the applicable eligibility groups or populations.

3. _____ The agency allows waiver of payment of the enrollment fee, premiums and similar charges for undue hardship.

Please specify the standard(s) and/or criteria that the state will use to determine undue hardship.

Section D – Benefits

Benefits:

1. _____ The agency adds the following optional benefits in its state plan (include service descriptions, provider qualifications, and limitations on amount, duration or scope of the benefit):

2. _____ The agency makes the following adjustments to benefits currently covered in the state plan:

3. _____ The agency assures that newly added benefits or adjustments to benefits comply with all applicable statutory requirements, including the statewideness requirements found at 1902(a)(1), comparability requirements found at 1902(a)(10)(B), and free choice of provider requirements found at 1902(a)(23).

4. _____ Application to Alternative Benefit Plans (ABP). The state adheres to all ABP provisions in 42 CFR Part 440, Subpart C. This section only applies to states that have an approved ABP(s).
   a. _____ The agency assures that these newly added and/or adjusted benefits will be made available to individuals receiving services under ABPs.
   b. _____ Individuals receiving services under ABPs will not receive these newly added and/or adjusted benefits, or will only receive the following subset:

   Please describe.

Telehealth:

5. _____ The agency utilizes telehealth in the following manner, which may be different than outlined in the state’s approved state plan:
Drug Benefit:

6. _____ The agency makes the following adjustments to the day supply or quantity limit for covered outpatient drugs. The agency should only make this modification if its current state plan pages have limits on the amount of medication dispensed.

   Please describe the change in days or quantities that are allowed for the emergency period and for which drugs.

7. _____ Prior authorization for medications is expanded by automatic renewal without clinical review, or time/quantity extensions.

8. _____ The agency makes the following payment adjustment to the professional dispensing fee when additional costs are incurred by the providers for delivery. States will need to supply documentation to justify the additional fees.

   Please describe the manner in which professional dispensing fees are adjusted.

9. _____ The agency makes exceptions to their published Preferred Drug List if drug shortages occur. This would include options for covering a brand name drug product that is a multi-source drug if a generic drug option is not available.

Section E – Payments

Optional benefits described in Section D:

1. _____ Newly added benefits described in Section D are paid using the following methodology:
   a. _____ Published fee schedules –
      
      Effective date (enter date of change): _____________
      
      Location (list published location): _____________

   b. _____ Other:

      Describe methodology here.
Increases to state plan payment methodologies:

2. __X___ The agency increases payment rates for the following services:

- Effective July 1, 2021, a 5% temporary Covid-19 rate increase will be implemented for all FFS Medicaid programs, including Indian Health Services and Cherokee Indian Health Association programs except for hospital inpatient and hospital outpatient services and services mentioned below through December 31, 2021.

- Effective July 1, 2021 through 6/30/2022 a temporary Covid-19 rate increase of 5% and then 10% will be applied ONLY to the following FFS programs: Skilled Nursing Facilities, Veteran Home Nursing Facilities, and the Tsali Tribal Skilled Nursing Facility.

- Effective July 1, 2021 a 15% temporary Covid-19 rate increase will be implemented for ICF-IID (Private Facilities) providers through January 31, 2022.

- Effective July 1, 2021 a 15% temporary Covid-19 rate increase will be implemented for PRTF and ICF-IID (State Facilities) providers through June 30, 2022.

- Effective July 1, 2021 a 5% temporary Covid-19 rate increase will be implemented for Inpatient (State Facilities), SA Non-Med and Medical Community Residential, and Crisis Services (except Mobile Crisis) providers through June 30, 2022.

- Effective July 1, 2021 a 5% temporary Covid-19 rate increase will be implemented for Psych Rehab, Peer Support, Community Support, Outpatient SUD-SAIOP, SACOT, and Partial Hosp/Day TX, providers through February 28, 2022 using HCBS 10% FMAP American Rescue Plan Act funds.

- Effective July 1, 2021 a 5% temporary Covid-19 rate increase will be implemented for Case Management, Opioid Tx, Ambulatory detox, Diagnostic Assessment, ACT, MST, IIHS providers through March 31, 2022 using HCBS 10% FMAP American Rescue Plan Act funds.
Effective July 1, 2021 a 5% temporary Covid-19 rate increase will be implemented for Mobile Crisis providers through the end of the PHE.

Effective July 1, 2021 a 5% temporary Covid-19 rate increase will be implemented for rehab service providers through February 28, 2022 using HCBS 10% FMAP American Rescue Plan Act funds.

Effective July 1, 2021 a 5% temporary Covid-19 rate increase will be implemented for PDN provider rates, and effective November 1, 2021 an additional $1.56 flat rate increase will be implemented on top of the 5% increase using HCBS 10% FMAP American Rescue Plan Act funds. Both Increases will end on February 28, 2022.

Effective July 1, 2021, a 5% and then 10% temporary Covid-19 rate increase will be implemented for Home Health Providers through June 30, 2022 using HCBS 10% FMAP American Rescue Plan Act funds

Effective July 1, 2021, a 5% and 10% temporary Covid-19 rate increase will be implemented for Personal Care Services (PCS) through June 30, 2022 using HCBS 10% FMAP American Rescue Plan Act funds. An additional Uniform COVID-19 flat rate of $1.00 will also be added on top of the 5% and 10% temporary Covid-19 rate increases using HCBS 10% FMAP American Rescue Plan Act funds from November 2021 through June 30, 2022.

Effective October 1, 2021, through December 31, 2021, a $95 uniform COVID-19 rate will be applied to Skilled Nursing Facility rates. Effective January 1, 2022 through June 30, 2022, the Uniform COVID-19 rate will be $47.50. Both uniform rate increases are in addition to COVID-19 temporary 5% and 10% rate increases.

Payment increases are targeted based on the following criteria:

Please describe criteria.

a. Payments are increased through:

i. ___ A supplemental payment or add-on within applicable upper payment limits:
Please describe.

ii. _____ An increase to rates as described below.

Rates are increased:

_____ Uniformly by the following percentage: _____________

_____ Through a modification to published fee schedules –

   Effective date (enter date of change): _____________

   Location (list published location): _____________

_____ Up to the Medicare payments for equivalent services.

_____ By the following factors:

Please describe.

Payment for services delivered via telehealth:

3. _____ For the duration of the emergency, the state authorizes payments for telehealth services that:

   a. ____ Are not otherwise paid under the Medicaid state plan;
   
   b. ____ Differ from payments for the same services when provided face to face;
   
   c. ____ Differ from current state plan provisions governing reimbursement for telehealth;

   Describe telehealth payment variation.

   d. ____ Include payment for ancillary costs associated with the delivery of covered services via telehealth, (if applicable), as follows:

      i. ____ Ancillary cost associated with the originating site for telehealth is incorporated into fee-for-service rates.

      ii. ____ Ancillary cost associated with the originating site for telehealth is separately reimbursed as an administrative cost by the state when a Medicaid service is delivered.
Other:

4. _____ Other payment changes:

   .

Section F – Post-Eligibility Treatment of Income

1. _____ The state elects to modify the basic personal needs allowance for institutionalized individuals. The basic personal needs allowance is equal to one of the following amounts:
   
   a. _____ The individual’s total income
   
   b. _____ 300 percent of the SSI federal benefit rate
   
   c. _____ Other reasonable amount: _______________

2. _____ The state elects a new variance to the basic personal needs allowance. (Note: Election of this option is not dependent on a state electing the option described the option in F.1. above.)

   The state protects amounts exceeding the basic personal needs allowance for individuals who have the following greater personal needs:

   Please describe the group or groups of individuals with greater needs and the amount(s) protected for each group or groups.

Section G – Other Policies and Procedures Differing from Approved Medicaid State Plan /Additional Information

PRA Disclosure Statement

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-1148 (Expires 03/31/2021). The time required to complete this information collection is estimated to average 1 to 2 hours per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. Your response is required to receive a waiver under Section 1135 of the Social Security Act. All responses are public and will be made available on the CMS web site. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form,

TN: TBD  Approval Date:  
Supersedes TN: N/A  Effective Date:  07/01/2021
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