North Carolina Department of Health and Human Services

Pat McCrory
Governor

Richard O. Brajer
Secretary

December 16, 2016

Jackie Glaze
Associate Regional Administrator
Division of Medicaid
Centers for Medicare and Medical 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 #2016-012

Dear Ms. Glaze:

Please find the attached amendment for North Carolina's State Plan under Title XIX of the Social Security Act for the Medical Assistance Program. The affected pages are Attachment 4.19-B, Section 7, Page 1, Attachment 4.19-B, Section 7, Page 2, Attachment 4.19-B, Section 7, Page 2a, and Attachment 4.19-B, Supplement 1, Page 1.

This state plan amendment implements Session Law 2015 – 241, Section 12H.18, which requires the base rate for Home Health Services remain the same as those in effect June 30, 2015.

This amendment is effective December 1, 2016.

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

Sincerely,

Carol Davis / for ROB

Richard O. Brajer
Secretary

ROB:ts

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MEDICAL ASSISTANCE
State: NORTH CAROLINA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICE

7. HOME HEALTH SERVICES

The rates for home health services were set as of July 1, 2012 and are effective for Services provided by Medicare certified home health agencies participating in the North Carolina Medicaid Program on or after that date. All rates are published on the website at https://dma.ncdhhs.gov/providers/fee-schedules.

A. REIMBURSEMENT METHODS FOR CERTIFIED HOME HEALTH AGENCIES

(a) A maximum rate per visit is established annually for each of the following services:
(1) Registered or Licensed Practical Nursing Visit;
(2) Physical Therapy Visit;
(3) Speech Therapy Visit;
(4) Occupational Therapy visit;
(5) Home Health Aide Visit.

(b) The maximum rate for new services identified in Section (a) above are computed and applied as follows:

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(1) Maximum rates are adjusted by an annual cost index factor. The cost index has a labor component with a relative weight of 75 percent and a non-labor component with a relative weight of 25 percent Labor cost changes are measured by the annual percentage change in the average hourly earnings of North Carolina service wages per worker. Non-labor cost changes are measured by the annual percentage change in the GNP Implicit Price Deflator.

(2) Other adjustments may be necessary for home health services to comply with federal or state laws or rules.

(c) Medical supplies and equipment covered under Home Health (HH) services are reimbursed at the lower of billed customary charges or the comparable Durable Medical Equipment (DME) maximum allowable amount in effect. If a new item is not covered by the DME program and a Medicare allowable is available, the rate will be set at the Medicare allowable amount available to the Division of Medical Assistance as of July 1 of that year. If a Medicare allowable amount cannot be obtained for a particular item, the rate will be established based on average estimate of reasonable cost.

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Rates for supplies and equipment shall be consistent among the HIT, Home Health (HH), and DME programs. If a rate appeal results in a change in the rate for one of the three programs, it will also become effective for the other two programs.

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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