SUBJECT: State Plan Amendment
Title XIX, Social Security Act
Transmittal #2014-048

Dear Ms. Glaze:

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 pages are Attachment 2.2-A, Page 15 and Supplement 6 to Attachment 2.6-A.

This state plan amendment will allow for implementation of changes to the State/County Special Assistance (SA) program required under Section 12D.1. Session Law (S.L.) 2014-100. SA is an “optional state supplement” that assists eligible aged, blind, and disabled individuals pay for care in adult care homes. The federal statute and regulation cited above, gives states the option to authorize Medicaid eligibility to recipients of the supplement. North Carolina has taken this option. Thus a change in the SA income limit must be made in the Medicaid State Plan.

Currently, the income eligibility standard is the same amount used to determine the payment amount (either $1,228 or $1,561 per month). Under S.L. 2014-100, the income standard used to establish eligibility for SA is reduced to 100 percent of the Federal Poverty Level (FPL), currently $973/month. However, the payment the standards used to establish the payment amount remains as is. The reduced income eligibility standard will limit the number of persons who will be eligible for SA. However, Section 12D.1.(f) of S.L. 2014-100 requires DHHS, DMA to submit a State Plan Amendment to allow beneficiaries eligible prior to the effective date of the income limit reduction to retain their eligibility. If individuals eligible for SA prior to the date of the income limit reduction cannot retain their Medicaid eligibility for the duration of their receipt of SA, then per state law North Carolina cannot implement the income limit reduction.

This amendment is effective January 1, 2015.

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,

Aldona Z. Wos, M.D.

Enclosures
State: North Carolina

<table>
<thead>
<tr>
<th>Agency*</th>
<th>Citation(s)</th>
<th>Groups Covered</th>
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<tbody>
<tr>
<td>B.</td>
<td><strong>Optional Groups Other Than the Medically Needy</strong> (Continued)</td>
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42 CFR 435.230  
 X 10. **States using SSI criteria with agreements under sections 1616 and 1634 of the Act.**

The following groups of individuals who receive only a State supplementary payment (but no SSI payment) under an approved optional State supplementary payment program that meets the following conditions.

The supplement is:

a. Based on need and paid in cash on a regular basis.

b. Equal to the difference between the individual's countable income and the supplement payment standard ($1,228 & $1,561). The income standard used to establish eligibility is 100% of FPL.

c. Available to all individuals in the State.

d. Paid to one or more of the classifications of individuals listed below, who would be eligible for SSI except for the level of their income.

- (1) All aged individuals.
- (2) All blind individuals.
- (3) All disabled individuals.
State: North Carolina

Standards for Optional State Supplementary Payments

<table>
<thead>
<tr>
<th>Payment Category</th>
<th>Administered by</th>
<th>Income Level</th>
<th>Income Disregards</th>
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<tbody>
<tr>
<td>Reasonable Classification</td>
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<tr>
<td>Aged and Disabled Adult Care Home and Mental Health Facilities</td>
<td>Federal</td>
<td>State</td>
<td>Gross</td>
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<td></td>
<td>Y</td>
<td>300% of FBR</td>
<td>100% of FPL</td>
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Eligibility for the optional state supplement for beneficiaries eligible for the supplement in November 2014 will be determined based on the income limits in effect on that date as long as they remain eligible for the supplement under those limits.