

**PUBLIC NOTICE**  
(SPA#11-003)

Pursuant to 42 CFR 447.205, the North Carolina Department of Health and Human Services, Division of Medical Assistance hereby provides notice of its intent to revise its existing State Plan and submit a new State Plan Amendment related to hospital payments under the Medicaid and Disproportionate Share Hospital programs.

The purpose of the changes described below is to equalize Medicaid cost coverage between public and non-public hospitals and to provide supplemental payments to hospitals to recognize the increasing burden of caring for uninsured patients.

Under the proposed modifications, the Division intends to:

1. For hospitals that do not qualify to certify public expenditures, change the enhanced payment percent in Section (e)(1) of Attachment 4.19-A of the existing State Plan to not more than 100% of the hospitals' inpatient Medicaid Deficits.
2. For hospitals that do not qualify to certify public expenditures, change the enhanced payment percent in Section 2.a.2 of Attachment 4.19-B of the existing State Plan to not more than 100% of the hospitals' outpatient Medicaid Deficits.
3. Under a new State Plan Amendment, pay licensed hospitals that receive payment for more than 50% of their inpatient discharges on a DRG (per discharge) basis at a rate not to exceed the hospital's Upper Payment Limit.

The amendments will become effective January 1, 2011.

These supplemental payments will have the state share supported by assessments on hospitals. The annual estimated state fiscal impact of this change is:

SFY 2011	\$0
SFY 2012	\$0

A copy of the proposed public notice will be available at the County Department of Social Services. Questions, comments and requests for copies of the proposed State Plan Amendment should be directed to the Division of Medical Assistance at the address listed below:

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