



North Carolina Department of Health and Human Services

Pat McCrory
Governor

Aldona Z. Wos, M.D.
Ambassador (Ret.)
Secretary DHHS

September 26, 2014

Jackie Glaze
Associate Regional Administrator
Division of Medicaid
Centers for Medicare and Medicaid 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 #2014-037

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 4.19-B Supplement 3, Page 1b and Attachment 4.19-B Supplement 3, Page 2b.

The state plan changes are to revise the reimbursement methodologies for Labs and X-Ray Services. This change also includes a 1% rate reduction to the Labs and X-Ray Services effective January 1, 2015 which implements Session Law 2014 – 100, Section 12H.14A.

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,

A handwritten signature in black ink, appearing to read "Wos".

Aldona Z. Wos, M.D.

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

Payment for Independent Laboratory:

SFY 2005 and 2006 – No rate increase from the June 30, 2005 rate for all Medicaid private and public providers with the following exceptions: federally qualified health clinics, rural health centers, state institutions, outpatient hospital, pharmacy and the non-inflationary components of the case-mix reimbursement system for nursing facilities.

SFY 2007 - Effective January 1, 2007 inflationary of .595% was applied.

SFY 2010 –The rates for SFY 2010 are frozen as of the rates in effect at July 1, 2009, except Medicaid rates may be adjusted downward in accordance with the current years downward adjustments to the Medicare fee schedule. Effective October 1, 2009, an overall negative rate adjustment of 4.90% was applied. There will be no further annual rate adjustment for SFY 2010.

SFY 2011 – The rates for SFY 2011 will be frozen at the rates in effect on June 30, 2010.

SFY 2012 – Rates will be frozen at the rate in effect on June 30, 2011. Effective November 1, 2011, existing rates are adjusted by a negative 2.66% for Independent Laboratories and 2.67% for X-Ray Services to yield a twelve (12) month two percent (2%) reduction in the nine (9) remaining months of this State Fiscal Year for all Medicaid providers with the following exception: North Carolina State Laboratory rates will remain frozen at the rate in effect on June 30, 2011. Rates for new codes will not include inflation beyond 2009.

SFY 2013 – Effective July 1, 2012, the rates will be adjusted such that they will equal 98% of the rate in effect July 1, 2011 for all Medicaid providers with the following exception: North Carolina State Laboratory rates will remain frozen at the rate in effect on June 30, 2011. There will be no further annual adjustments this state fiscal year. Rates for new codes will not include inflation beyond 2009.

SFY 2015 – Effective July 1, 2014, the rates are frozen at the rate in effect as of June 30, 2013. Effective January 1, 2015, the rates will be adjusted such that they will equal 99% of the rate in effect

Reference: Attachment 4.19-B, Section 5

TN No: 14-037
Supersedes
TN No. 11-026

Approval Date: _____

Eff. Date: 01/01/2015

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

Payments for Medical and Remedial Care and Services

Payment for Independent Laboratory - Continued:

December 31, 2014. There will be no further annual adjustments this state fiscal year except that Medicaid rates may be adjusted downward in accordance with the current years downward adjustments to the Medicare fee schedule.

SFY 2016 – Effective July 1, 2015; the rates are frozen at the rate in effect as of June 30, 2015. There will be no further annual adjustments this state fiscal year except that Medicaid rates may be adjusted downward in accordance with the current years downward adjustments to the Medicare fee schedule.

Reference: Attachment 4.19-B, Section 5

TN No: 14-037
Supersedes
TN No. NEW

Approval Date: _____

Eff. Date: 01/01/2015