North Carolina Department of Health and Human Services
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Beverly Eaves Perdue, Governor

Lanier M. Cansler, Secretary

February 3, 2010

TO: CAP MR/DD Providers
SA & PCS – Adult Care Home Providers
PCS – Community Based Providers
Enhanced Mental Health Providers

FROM: Lanier M. Cansler

SUBJECT: Suspension of Mandatory Cost Reporting for Rate Adjustments

The Department of Health and Human Services (DHHS) recognizes that the unprecedented Medicaid budget reductions in state fiscal year 2010 have impacted both providers and recipients. In order to remove some of the administrative burden and cost to providers, the Division of Medical Assistance and the DHHS Controller's Office are suspending, for the above named provider groups, the requirement for mandatory cost reporting of Medicaid costs for cost reports due after December 31, 2009.

The Division of Medical Assistance is not planning rate adjustments based on cost during this period of suspension. Should it become necessary to determine reasonable costs during the suspension period, the Division will utilize its existing cost report database and cost trending factors.

Any outstanding cost reports from previous cost report periods are due and must be filed. Outstanding issues resulting from a previously filed cost report must also be resolved.

This suspension shall remain in effect until rescinded by the Secretary of DHHS. If you have specific questions please contact the following individuals:

CAP MR/DD Providers and Residential Treatment Providers - Mr. Paul Cole at 919-855-3685 or Ms. Mishawn Davis at 919-647-8179.

SA & PCS – Adult Care Home Providers - Mr. Paul Cole at 919-855-3685 or Elizabeth Grady at 919-855-4207.

PCS – Community Based Providers - Ms. Roxanne Krotoszynski at 919-855-4216.

Enhanced Mental Health Providers - Mr. Paul Cole at 919-855-3685 or Ms. Christal Kelly at 919-647-8178. The suspension also includes those CAP MR/DD and Mental Health Residential Treatment providers who also provide enhanced mental health services.

For all cost reports due prior to December 31, 2009, the Division of Medical Assistance's policies and rules for timely submission will continue to be in effect.

Providers should continue to record their accounting transactions in accordance with the approved chart of accounts and cost allocation principles to ensure that when the suspension is rescinded, providers will be able to complete and file cost reports within the prescribed timeframe.

We recognize the financial hardships of our provider network and hope that this reduction of administrative cost will assist providers as we work our way through these difficult economic times.

cc: Dr. Craigan Gray
Dan Stewart
Laketha Miller
Steve Owen
Allen Feezor