



**North Carolina Department of Health and Human Services**

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Beverly Eaves Perdue, Governor

September 1, 2009

Lanier M. Cansler, Secretary

Marilyn Chism, Director  
Fiscal Research Division  
Room 619, Legislative Office Building  
Raleigh, NC 27601

Dear Ms. Chism:

In accordance with Section 10.10(a) of Session Law 2008-107 (House Bill 2436) "Medical Policy Changes," we are pleased to submit the attached report for the 2008-2009 third quarter regarding the implementation of DMA medical policy changes with an annual financial impact of less than \$3 million.

If you have questions or would like additional information, please contact Patti Forest, M.D., Assistant Director for Clinical Policy and Programs of the Division of Medical Assistance at (919) 855-4260.

Sincerely,

A handwritten signature in black ink that reads "Lanier M. Cansler". The signature is fluid and cursive, with the first name being the most prominent.

Lanier M. Cansler

LMC:clg

Attachment

cc: Allen Feezor  
Dan Stewart  
Craig L. Gray, MD, MBA, JD  
Sharnese Ransome  
Jennifer Hoffmann  
Legislative Library (2)



**DIVISION OF MEDICAL ASSISTANCE**  
**PROJECTED ANNUAL IMPACT OF CLINICAL POLICY PROGRAM CHANGES**  
 3rd Qtr SFY 2008 - 2009

<p><b>Bone Mass Measurement:</b> Incorporated Medicare guidelines into procedures that measure bone mass to screen for osteoporosis, evaluate diseases of the bone and determine responses of bone disease to treatment.  <b>Fiscal Impact:</b> There was no fiscal impact to any of the policy changes.</p>	February 1, 2009	\$0	\$0	\$0	\$0	\$0	\$0
	February 1, 2009	(\$20,180)	(\$52,308)	(\$56,492)	(\$61,011)	(\$65,893)	
<p><b>Electrocardiography/Echocardiography:</b> Incorporated diagnosis editing and changes in service limitations into procedures that measure activity in the heart.  <b>Fiscal Impact:</b> There was a reduction in funding requirements due to a restriction in diagnoses qualifying for reimbursement.</p>	January 1, 2009	\$370,086	\$791,808	\$847,045	\$906,135	\$969,348	
		\$349,906	\$739,500	\$790,553	\$845,124	\$903,455	
<p><b>Nursing Facility Ventilator Care:</b> Amended medical necessity criteria for providing ventilator care in the nursing facility setting.  <b>Fiscal Impact:</b> There was an increase in funding requirements due to allowing Nursing Facilities to serve less severe ventilator-dependent recipients in the long-term care setting.</p>							
<b>Total</b>							
<b>Grand Total for the Five Year Period</b>	\$ 3,628,538						