

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

Payments for Medical and Remedial Care and Services: Inpatient Hospital

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Payment for Swing Beds and Lower Level Beds:

FY 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.

NC General Assembly legislation mandates that effective July 1, 2005, reimbursement rates for these programs (Swing Beds and Lower Level Beds) for the state fiscal years 2005-2006 and 2006-2007 will remain at the rate in effect as of June 30, 2005, except rates may be adjusted downward.

FY 2009-2010 – No inflationary adjustments and 5.65 percent rate reduction (annualized over nine months) for Swing and Lower Level Beds.

FY 2010-2011 – No inflationary or rate adjustment.

Reference: Attachment 4.19-A: Page 25

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

Payment for Services – Prospective Reimbursement Plan for Nursing Care Facilities

- (C) The base year per diem neutralized case-mix adjusted cost and the base year per diem non-case-mix adjusted cost are summed for each nursing facility. Each facility's base year per diem result is arrayed from low to high and the Medicaid day-weighted median cost is determined. Also for each facility, the percentage that each of these components represents of the total is determined.
- (D) The statewide direct care ceiling is established at 102.6 percent of the base year neutralized case-mix adjusted and non-case mix adjusted Medicaid day-weighted median cost.
- (E) For each nursing facility, the statewide direct care ceiling shall be apportioned between the per diem case-mix adjusted component and the per diem non-case-mix adjusted component using the facility-specific percentages determined in .0102(b)(2)(C).
- (F) On a quarterly basis, each facility's direct care rate shall be adjusted to account for changes in its Medicaid average case-mix index. The facility's direct care rate is determined as the lesser of (i) or (ii) as calculated below plus an incentive allowance.
- (i) The facility's specific case-mix adjusted component of the statewide ceiling times the facility's Medicaid average case-mix index, plus each facility's specific non-case mix adjusted component of the statewide ceiling.
- (ii) The facility's per diem neutralized case-mix adjusted cost times the Medicaid average case-mix index, plus the facility's per diem non case-mix adjusted cost.
- Effective January 1, 2008, the incentive allowance is equal to 100% times the difference (if greater than zero) of (i) minus (ii) as calculated above. The Division of Medical Assistance may negotiate direct rates that exceed the facility's specific direct care ceiling for ventilator dependent and head injury patients. Payment of such special direct care rates shall be made only after specific prior approval of the Division of Medical Assistance.
- (G) For rates effective October 1, 2003, the Medicaid average case-mix index calculated as of March 31, 2003 shall be used to adjust the case-mix adjusted component of the statewide direct care ceiling. For rates effective January 1, 2004 and thereafter, the prior quarters Medicaid average case-mix index will be used to adjust the case-mix adjusted component of the statewide direct care ceiling. Example: January 1, 2004 rate will use the Medicaid average case-mix index calculated as of September 30, 2003.

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

Payment for Services – Prospective Reimbursement Plan for Nursing Care Facilities

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Payment for Head Injury and Ventilator Nursing Beds:

FY 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.

NC General Assembly legislation mandates that effective July 1, 2005, reimbursement rates for these programs (Head Injury and Ventilator Nursing Beds) for the state fiscal years 2005-2006 and 2006-2007 will remain at the rate in effect as of June 30, 2005, except rates may be adjusted downward.

FY 2007 – An appropriated 1.482% recurring inflationary increase for the Nursing Home program will be effective January 1, 2007.

FY 2008-2009 – No Adjustment for Head and Vent Beds.

FY 2009 -2010 – No inflationary adjustment and 6.30 percent rate reduction (annualized over nine months) for Nursing Care Facilities.

FY 2010-2011 – No inflationary or rate adjustment (for Nursing Care Facilities).

FY 2009 -2010 – No inflationary adjustment and 4.70 percent rate reduction (annualized over nine months) for Nursing Care Facilities (Head Injury and Ventilator Beds).

FY 2010-2011 – No inflationary or rate adjustment (for Head Injury and Ventilator Beds).

Reference: Attachment 4.19-D, Page 6 and 7

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

Payment for Services – Prospective Reimbursement Plan for Nursing Care Facilities

Payment for Geropsychiatric Services:

FY 2009 -2010 – No inflationary adjustment and 4.54 percent rate reduction  
(annualized over nine months).

FY 2010-2011 – No inflationary or rate adjustment.

Reference: Attachment 4.19-D, Page 7a, 7b, and 7c

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