



North Carolina Department of Health and Human Services  
**Division of Medical Assistance**

2501 Mail Service Center • Raleigh, N. C. 27699-2501

Beverly M. Perdue, Governor  
Lanier M. Cansler, Secretary

Tara R. Larson, Acting Director

April 14, 2009

**NOTICE TO NON-PUBLIC HOSPITALS THAT ARE ELIGIBLE TO RECEIVE MEDICAID  
ENHANCED PAYMENTS:**

State Plan Amendment TN No. 06-008, approved by CMS on September 21, 2006, Attachment 4.19-A, Page 9, paragraph (e)(1) states:

“The enhanced payment (to eligible hospitals) shall equal a percent, not to exceed the State’s federal financial participation rate in effect for the period for which the payment is being calculated, of the hospital’s inpatient “Medicaid deficit.” At least 10 calendar days in advance of the first payment of the payment plan year, the Division will determine, and notify eligible hospitals of, the percent of the inpatient “Medicaid deficit” to be paid as the enhanced payment for inpatient services.”

State Plan Amendment TN No. 06-008, approved by CMS on September 21, 2006, Attachment 4.19-B, Section 2, Page 1a, paragraph 2.a.1 (1) states:

“The enhanced payment (to eligible hospitals) shall equal a percent, not to exceed the State’s federal financial participation rate in effect for the period for which the payment is being calculated, of the hospital’s outpatient “Medicaid deficit.” At least 10 calendar days in advance of the first payment of the payment plan year, the Division will determine, and notify eligible hospitals of, the percent of the outpatient “Medicaid deficit” to be paid as the enhanced payment for outpatient services.”

The first Medicaid Deficit Enhanced payments of the FFY2009 Payment Plan year are scheduled not earlier than April 28, 2009. This notice is posted to advise the percent of the annual inpatient and outpatient “Medicaid deficit” to be paid to non-public hospitals as the enhanced payment for inpatient and outpatient services is 57.407%.

This is a composite rate and is based on total FFY2009 Medicaid deficit enhanced payments as a percentage of total calculated FFY2009 Medicaid cost deficits. The composite rate reflects the effect of FMAP increases under the American Recovery and Reinvestment Act of 2009 (ARRA) from quarters 1 and 2 of FFY2009 to quarters 3 and 4 of FFY2009.

