



## Legislation Text

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### **TITLE**

### **UPDATE ON ENHANCED MEDICAID REIMBURSEMENTS FOR SOCIAL SERVICES**

### **SPONSOR**

Sharon Barlow

### **BACKGROUND**

The NC Department of Health and Human Services informed county Social Services directors in July 2022 about mandated changes to the Enhanced Medicaid 75/25 cost reimbursement process required of the State by the Federal Centers for Medicare & Medicaid Services (CMS). NC DHHS first implemented enhanced Medicaid 75/25 revenue in 2014, it did so in accordance with its approved Cost Allocation Plan (CAP) and has always believed that it was in substantial conformity with SMD 16-004 guidance. During SFY 2022, CMS requested additional DSS-1571 data in order to justify the enhanced Medicaid revenue that NC DHHS was requesting in its APDu. When NC DHHS was unable to provide the level of data granularity being requested, CMS provided conditional approval for its APDu. To address the condition, NC DHHS began to have ongoing discussions with CMS, NC DHHS' financial systems, and our DSS-1571 processes and the final requirements have made both system and process changes necessary in order to provide the data CMS is requesting. These changes will affect both personnel and non-personnel expenses - county staff are now required to cross-referencing or mapping local Social Services positions with a set of standardized "local government class specs" provided by the State and add additional information to all expenditures to indicate which are allowable by CMS.

Staff estimate the reduction in Medicaid reimbursement for Guilford County will be approximately \$1.3 million or 3.1% based on FY 2022 annual expenses reported to the State.

The changes are effective for September 2022 expenses, to be reported and reimbursed in October 2022, and they apply to ALL counties.

### **REQUESTED ACTION**

Receive update on changes to Enhanced Medicaid 75/25 funding claiming and reimbursements.