

10A NCAC 27A .0404 SETTLEMENT OF LME SYSTEMS MANAGEMENT PAYMENTS

(a) LME SM payments shall be settled annually for each LME individually taking into consideration actual LME SM expenditures, the earning of Medicaid administrative funds and the retention of up to the lesser of 15 percent of the full annual LME SM payment made to the LME by the Division or 15 percent of the actual allowable LME SM reported expenditures for fund balance. The settlement process set forth in this Rule is based on the Division having paid the LME the LME's full Division allocated LME SM funding prior to the time of settlement.

(b) The settlement process shall not result in any LME receiving:

- (1) LME SM payments greater than the amount of its total annual LME SM allocation from the Division;
or
- (2) State funding from state appropriations in an amount greater than the amount projected in the cost model.

(c) To determine the settlement of LME SM payments for an LME, the Division shall utilize the following format:

Line 1: Lesser of Full Annual LME SM Payment Made to the LME by the Division or Actual Allowable LME SM Reported Expenditures. \$ _____

Line 2: Actual Medicaid Earnings Based on Actual Allowable LME SM Expenditures Reported. If total LME SM expenditures exceeded the LME SM allocation, the amount of Medicaid earnings listed on Line 2 will be the prorated share of Medicaid earnings based on LME SM allocation compared to total LME SM expenditures. \$ _____

Line 3: Difference of Line 1 Minus Line 2. \$ _____

Line 4: State funding from state appropriations as defined in Rule .0402(c) of this Section. \$ _____

Line 5: If Line 3 is equal to or greater than Line 4, settlement is finalized at this point and no refund is due to the Division by the LME. If Line 3 is less than Line 4, continue with settlement computations by entering the difference of Line 4 minus Line 3. \$ _____

Line 6: Enter 15% of the amount from Line 1 above. \$ _____

Line 7: If Line 5 is equal to or less than Line 6, settlement is finalized at this point and no refund is due to the Division by the LME. If Line 5 is greater than Line 6, continue with settlement computations by entering the difference between Line 5 minus Line 6; this is the amount of refund owed by the LME to the Division. \$ _____

*History note: Authority G.S. 122C-112.1(a)(12);
Eff. July 1, 2009;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. June 25, 2016.*