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State/Territory Name: North Carolina

State Plan Amendment (SPA) #:14-0015

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Approved SPA Page

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
Atlanta Regional Office
61 Forsyth Street, Suite 4T20
Atlanta, Georgia 30303



DIVISION OF MEDICAID & CHILDREN'S HEALTH OPERATIONS

June 4, 2015

Dr. Robin Cummings, Director
Division of Medical Assistance
Department of Health and Human Services
2501 Mail Service Center
Raleigh, NC 27699-2501

Re: North Carolina State Plan Amendment, 14-015

Dear Dr. Cummings:

We have reviewed the State Plan Amendment (SPA) 14-015 that was received in the Regional Office on September 30, 2014. This amendment limits the number of eligible medical professional providers receiving supplemental payments up to the Average Commercial Rate (ACR). This amendment is submitted to comply with Session Law 2014-100, Section 12H.13(a), and the requested effective date is July 1, 2014.

Based on the information provided, the Medicaid State Plan Amendment NC-14-015 was approved on June 4, 2015. The effective date of this SPA is July 1, 2014. We are enclosing the approved Form HCFA-179 and the approved plan page.

If you have any additional questions or need further assistance, please contact Michelle White at 404-562-7328, or Donald Graves at 919-828-2999.

Sincerely,

//s//

Jackie Glaze
Associate Regional Administrator
Division of Medicaid and Children's Health Operations

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: 14-015	2. STATE NC
FOR: HEALTH CARE FINANCING ADMINISTRATION		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE July 1, 2014	
5. TYPE OF PLAN MATERIAL <i>(Check One)</i> : <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT			
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT <i>(Separate Transmittal for each amendment)</i>			
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 447.201		7. FEDERAL BUDGET IMPACT: a. FFY 2014 (\$1,762,085) b. FFY 2015 (\$7,929,383)	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B, Section 5, Page 2		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT <i>(If Applicable)</i> : Attachment 4.19-B, Section 5, Page 2	
10. SUBJECT OF AMENDMENT: Physician Supplemental Payments			
11. GOVERNOR'S REVIEW <i>(Check One)</i> : <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: Secretary <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL: //s//		16. RETURN TO: Office of the Secretary Department of Health and Human Services 2001 Mail Service Center Raleigh, NC 27699-20014	
13. TYPED NAME: Aldona Z. Wos, M.D.			
14. TITLE: Secretary			
15. DATE SUBMITTED:			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: 09/30/15		18. DATE APPROVED: 06/04/15	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: 07/01/14		20. SIGNATURE OF REGIONAL OFFICIAL: //s//	
21. TYPED NAME: Jackie Glaze		22. TITLE: Associate Regional Administrator Division of Medicaid & Children Health Opns	
23. REMARKS:			

MEDICAL ASSISTANCE
State: NORTH CAROLINA
PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

(c) Supplemental Payments

(1) Supplemental payments will be made to Eligible Medical Professional Providers. These supplemental payments will equal the difference between the Medicaid payments otherwise made under this state plan and the Average Commercial Rate Payment. These supplemental payments will, for the same dates of service, be reduced by any other supplemental payments for professional services found elsewhere in the state plan.

(2) Eligible Medical Professional Providers must meet all of the following requirements. An Eligible Medical Professional Providers must be:

(i) Physicians paid under this Section 5, and other professionals paid under Section 6a-d or Section 17 of this Attachment; and

(ii) Licensed in the State of North Carolina and eligible to enroll in the North Carolina Medicaid program as a service provider; and

(iii) Employed by, contracted to provide a substantial amount of teaching services, or locum tenens of the state-operated school of medicine (SOM) at East Carolina University or the University of North Carolina at Chapel Hill, or employed or locum tenens within the University of North Carolina Health Care System. A professional "contracted to provide a substantial amount of teaching services" is a professional where all or substantially all of the clinical services provided to patients by that contracted professional involves supervision and/or teaching of medical students, residents, or fellows.

Except for professional providers in a Hospital-Based Group Practice, Eligible Medical Professional Providers shall exclude any professional provider that is a member of a group practice acquired or assimilated by the UNC HCS after July 1, 2010. A Hospital-Based Group Practice includes professional providers with the following hospital-based specialties: anesthesiology, radiology, pathology, neonatology, emergency medicine, hospitalists, radiation-oncology, and intensivists.

For a group practice that does not consist of professional providers employed by the SOM, is not a Hospital-Based Group Practice, and was included within the UNC HCS on or before July 1, 2010, the number of Eligible Medical Professional Providers in the group practice may not increase beyond the number of Eligible Medical Professional Providers in the group practice as of July 1, 2010.

(iv) Effective July 1, 2014, the number of eligible medical professional providers shall be limited as follows:

- a.) 418 with the East Carolina University (ECU) Brody School of Medicine.
- b.) 1,176 with the University of North Carolina at Chapel Hill (UNC) Faculty Physicians.
- c.) 14 with the UNC Hospital's Pediatric Clinic.
- d.) 75 with UNC Physicians Network.
- e.) 18 with Chatham Hospital.

(v) Effective July 1, 2014, supplemental payments under this section shall not be made for services provided in Wake County.

(3) Supplemental payments will be made quarterly and will not be made prior to the delivery of services.

(4) The Quarterly Average Commercial Rate to be paid will be determined in accordance with the following calculation.

(i) Compute Average Commercial Fee Schedule: Compute the average commercial allowed amount per procedure code for the top five payers with payment rates. The top five commercial third party payers will be determined by total billed charges. If there are any differences in payment on a per billing code basis for services rendered by different types of medical professionals, the Department will calculate separate Average Commercial Fee Schedules to reflect these differences. The data used to develop the Average Commercial Fee Schedule(s) will be based upon payments from the most recently completed state fiscal year. The Average Commercial Fee Schedules will be computed at least once per fiscal year.