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State/Territory Name: North Carolina

State Plan Amendment (SPA) #: 14-0044

This file contains the following documents in the order listed:

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

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

January 19, 2017

Mr. Dave Richard
Deputy Secretary
Division of Medical Assistance
North Carolina Department of Health and Human Services
2501 Mail Service Center
Raleigh, North Carolina 27699-2501

Attention: Teresa Smith

RE: North Carolina Title XIX State Plan Amendment, Transmittal # NC 14-0044

Dear Mr. Richard:

We reviewed the proposed amendment to the North Carolina Medicaid State Plan Amendment (SPA) NC 14-0044 (Physicians Services) that was submitted to CMS on September 30, 2014. This amendment originally proposed implementing a 1 percent rate reduction and rate freeze for subsequent years. After intensive collaboration with CMS, the State removed the 1 percent rate reduction and revised the SPA pages to clarify that this program will be reimbursed at lower of usual and customary charges or the North Carolina Medicaid fee schedule in effect at a given point in time.

Based on the information provided, we are now ready to approve the Medicaid State Plan Amendment NC 14-0044. This SPA was approved on January 19, 2017. The effective date of this amendment is January 1, 2015. We are enclosing the signed paper-based HCFA-179 and the approved plan pages.

If you have any questions or need any 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 & Children's Health Operations

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

1. TRANSMITTAL NUMBER:
14-044

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
January 1, 2015

5. TYPE OF PLAN MATERIAL (*Check One*):

☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN ☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (*Separate Transmittal for each amendment*)

6. FEDERAL STATUTE/REGULATION CITATION:

42 CFR 447.201

7. FEDERAL BUDGET IMPACT:

a. FFY 2015 (\$76,614)
b. FFY 2016 (\$102,152)

8. PAGE NUMBER OF THE PLAN SECTION OR
ATTACHMENT(s):

Attachment 4.19-B, Supplement 3, Page 1 and Attachment
4.19-B, Supplement 3, Page 1.1.

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (*If Applicable*):

Attachment 4.19-B, Supplement 3, Page 1.

10. SUBJECT OF AMENDMENT:

Physician Services Program

11. GOVERNOR'S REVIEW (*Check One*):

☐ GOVERNOR'S OFFICE REPORTED NO COMMENT
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

☒ OTHER, AS SPECIFIED: Secretary

12. SIGNATURE OF STATE AGENCY OFFICIAL:

//s//

13. TYPED NAME:

Aldona Z. Wos, M.D.

14. TITLE:

Secretary

15. DATE SUBMITTED:

16. RETURN TO:

Office of the Secretary
Department of Health and Human Services
2001 Mail Service Center
Raleigh, NC 27699-20014

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

09/30/14

18. DATE APPROVED: 01/19/17

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

01/01/15

20. SIGNATURE OF REGIONAL OFFICIAL:

//s//

21. TYPED NAME: Jackie Glaze

22. TITLE: Associate Regional Administrator
Division of Medicaid & Children Health Opns

23. REMARKS: Approved with following changes the block 7, 8 and 9.

Block # 7 changed to read: 7a FFY 2015 (\$0) and 7b FFY 2016 (\$0).

Block # 8 changed to read: Attachment 4.19-B, Section 5, Page 1 and Attachment 4.19-B, Supplement 3, Page 1.

Block # 9 changed to read: Attachment 4.19-B, Section 5, Page 1 and Attachment 4.19-B, Supplement 3, Page 1.

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

PHYSICIAN'S FEE SCHEDULE

(a) Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of Physician Services. The agency's fee schedule rates were set as of January 1, 2014 and are effective for services provided on or after that date. All rates are published on the agency's website at <https://dma.ncdhhs.gov/providers/fee-schedules>.

(b) Physicians' services whether furnished in the office, the patient's home, a hospital, a nursing facility or elsewhere, shall be reimbursed based on the North Carolina Medicaid Fee Schedule which is based on 86 percent of the Medicare Fee Schedule Resource Based Relative Value System (RBRVS) in effect January 1 of each year, but with the following clarifications and modifications:

- (1) A maximum fee is established for each service and is applicable to all specialties and settings in which the service is rendered. Payment is equal to the lower of the maximum fee or the provider's customary charge to the general public for the particular service rendered.
- (2) Rates for services deemed to be associated with adequacy of access to health care services may be adjusted based on administrative review. The service must be essential to the health needs of the Medicaid recipients, no other comparable treatment available and a rate adjustment must be necessary to maintain physician participation within the geographic area at a level adequate to meet the needs of Medicaid recipients and for which no other provider is available.
- (3) Fees for new services are established based on this Rule, utilizing the most current RBRVS, if applicable. If there is no relative value unit (RVU) available from Medicare, fees shall be established based on the fees for similar services. If there is no RVU or similar service, the fee shall be set at 75 percent of the provider's customary charge to the general public.

(c) Administration of Vaccinations whether furnished in the office, the patient's home, a hospital, a nursing facility or elsewhere, shall be reimbursed based on the North Carolina Medicaid Fee Schedule. The fee for the Administration of Vaccinations is based on the CMS regional maximum, not to exceed the Medicare established cap.

Administration of Vaccinations is not subject to cost settlement when reimbursement on the North Carolina Medicaid Fee Schedule is equal to the CMS regional maximum cap.

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

Payments for Medical and Remedial Care and Services

INTENTIONALLY LEFT BLANK

TN-No: 14-044
Supersedes
TN- No. 14-012

Approval Date 01/19/17

Eff. Date: 01/01/2015