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State/Territory Name: North Carolina

State Plan Amendment (SPA) #: 20-0007

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services
Center for Medicaid & CHIP Services
233 North Michigan Ave., Suite 600
Chicago, Illinois 60601



Financial Management Group

September 17, 2020

Mr. Dave Richard
Deputy Secretary, North Carolina Medicaid
Division of Health Benefits
NC Department of Health and Human Services
1985 Umstead Drive
2501 Mail Service Center
Raleigh, North Carolina 27699-2501

Re: North Carolina State Plan Amendment (SPA) 20-0007

Dear Mr. Richard:

We have reviewed the proposed North Carolina State Plan Amendment, 20-0007, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on June 25, 2020. This plan amendment was submitted to increase the Evaluation and Management codes for Primary Care Physicians, Nurse Practitioners, and Physician Assistants by 1%.

Based upon the information provided by the State, we have approved the amendment with an effective date of April 1, 2020. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact DRR analyst Cheryl Wigfall at (919) 274-5976 or Cheryl.Wigfall@cms.hhs.gov.

Sincerely,

A solid black rectangular box redacting the signature of Todd McMillion.

Todd McMillion
Director
Division of Reimbursement Review

Enclosures

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

1. TRANSMITTAL NUMBER:
20-0007

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
April 1, 2020

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 447.400 and 447.415

7. FEDERAL BUDGET IMPACT:

a. FFY 2020 \$85,769.91
b. FFY 2021 \$171,487.15

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-B, Section 5, Pages 1, 1f
Attachment 4.19-B, Section 6, Page 1c

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION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

Attachment 4.19-B, Section 5, Pages 1, 1f
Attachment 4.19-B, Section 6, Page 1c

10. SUBJECT OF AMENDMENT:

Physician Services – E & M Codes Rate Increase

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:

13. TYPED NAME:

Mandy Cohen, MD, MPH

14. TITLE:

Secretary

15. DATE SUBMITTED:

6/24/2020

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:

6/25/20

18. DATE APPROVED:

9/17/2020

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

4/1/20

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

Todd McMillion

22. TITLE:

Director, Division of Reimbursement Review

23. REMARKS:

Approved with the following changes as authorized by the State:
Block #7: Change to FFY 2020: \$16,071 and FFY 2021: \$30,943

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://medicaid.ncdhhs.gov/providers/fee-schedule/physician-services-fee-schedule>.
- (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 Physician Services Fee Schedule which is based on 86 percent of the Medicare Resource-Based Relative Value Scale (RBRVS) physician fee schedule (PFS) in effect January 1 of the year in which the service was initially established, 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 Medicare RBRVS physician fee schedule, 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 the average rate obtained from surrounding states. Non Covered Medicare codes covered by Medicaid shall be established based on applicable/available RVU.
 - (4) Effective January 1, 2019, all Evaluation and Management codes ranging from 99201 to 99499 and new codes established within that range as defined in Section 1202 of the Affordable Care Act (ACA) and paid to primary care Physicians shall be reimbursed based on the Medicare Resource-Based Relative Value Scale (RBRVS) physician fee schedule (PFS) in effect as of January 01, 2018. In addition to the ACA primary care practitioners, Obstetricians and Gynecologists shall also be included as primary care Physicians. Reimbursement shall be based on the following methodologies:
The Medicaid Physician Non-Facility rate shall be set at 100 percent of the Medicare Physician Non-Facility rate.
The Medicaid Physician Facility rate shall be set at 100 percent of the Medicare Physician Facility rate when the Medicare Physician Facility rate and the Medicare Physician Non-Facility rate are different.
The Medicaid Physician Facility rate will be based on 90 percent of the Medicare Physician Non-Facility rate when both facility and non-facility rates are the same.
Exceptions: Effective April 1, 2020, and thereafter, Physicians' services for Evaluation and Management codes will be set at 1 percent above the Medicaid Physician rates if the calculated rate is less than or equal to the Medicaid Physician Fee Schedule rate.

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

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

Physician Assistant Services:

Payments for Physician Assistant Services covered under Attachment 3.1-A.1 are equal to the lower of the submitted charge or the appropriate fee from the North Carolina Medicaid Physician Assistant Services Fee Schedule. The agency's rates were set as of January 01, 2014 and are effective on or after that date. All rates are published on the website at <https://medicaid.ncdhhs.gov/providers/fee-schedule/physician-assistant-fee-schedule>. Except as otherwise noted in the plan, State developed fee schedule rates are the same for both governmental and private providers.

(a) Effective January 1, 2014, new Physician Assistant Services shall be reimbursed at 100 percent of the North Carolina Medicaid Physician Services Fee Schedule in effect at the time the service is established.

(b) Effective January 1, 2019, all Evaluation and Management codes ranging from 99201 to 99499 and any new codes established within that range as defined in Section 1202 of the Affordable Care Act (ACA) and paid to Physician Assistants shall be reimbursed based on the Medicare Resource-Based Relative Value Scale (RBRVS) physician fee schedule (PFS) in effect as of January 01, 2018. In addition to the ACA primary care practitioners, Obstetricians and Gynecologists shall also be included as primary care Physicians. Reimbursement shall be based on the following methodology:

The Physician Assistants Medicaid Facility rate is set at 85 percent of the Medicare Physician Facility rate.

The Physician Assistants Medicaid Non-Facility rate is set at 85 percent of the Medicare Physician Non-Facility rate.

Exceptions: Effective April 1, 2020, and thereafter, Physician Assistants' services for Evaluation and Management codes will be set at 1 percent above the Medicaid Physician Assistant rates if the calculated rate is less than or equal to the Medicaid Physician Fee Schedule rate.

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

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

Medical care and any other type of remedial care recognized under State law, furnished by licensed practitioners within the scope of their practice as defined by State law:

Chiropractic Services, Podiatry Services, Optometry Services, Nurse Practitioner Services, Independent Practitioner Services and Other Licensed Practitioner Services.

d. **Nurse Practitioner Services:**

Payments for Nurse Practitioner Services covered under Attachment 3.1-A.1 are equal to the lower of the submitted charge or the appropriate fee from the North Carolina Medicaid Nurse Practitioner Services Fee Schedule. The agency's rates were set as of January 1, 2014 and are effective on or after that date. All rates are published on the website at <https://medicaid.ncdhhs.gov/providers/fee-schedule/nurse-practitioner-fee-schedule>. Except as otherwise noted in the plan, State developed fee schedule rates are the same for both governmental and private providers.

(1) Effective January 1, 2014, rates for new Nurse Practitioner Services shall be reimbursed at 100 percent of the North Carolina Medicaid Physician Services Fee Schedule in effect at the time the service is established.

(2) Enhanced Payments for Pregnancy Medical Home Services will be made to licensed nurse practitioners for services provided by a Pregnancy Medical Home provider as specified in Attachment 3.1-B, Page 7(a) and Attachment 3.1-F. Reimbursement will be as described in Attachment 4.19-B Section 5, Page 4 of the State Plan. There shall be no cost settlement for any provider in any setting for these services reimbursed at the enhanced rates

(3) Effective January 1, 2019, all Evaluation and Management codes ranging from 99201 to 99499 and any new codes established within that range as defined in Section 1202 of the Affordable Care Act (ACA) and paid to Nurse Practitioners shall be reimbursed based on the Medicare Resource-Based Relative Value Scale (RBRVS) physician fee schedule (PFS) in effect as of January 01, 2018. In addition to the ACA primary care practitioners, Obstetricians and Gynecologists shall also be included as primary care Physicians. Reimbursement shall be based on the following methodology:

The Nurse practitioner Medicaid Facility rate is set at 85 percent of the Medicare Physician Facility rate.

The Nurse practitioner Medicaid Non-Facility rate is set at 85 percent of the Medicare Physician Non-Facility rate.

Exceptions: Effective April 1, 2020, and thereafter, Nurse practitioners' services for Evaluation and Management codes will be set at 1 percent above the Medicaid Nurse practitioner rates if the calculated rate is less than or equal to the Medicaid Physician Fee Schedule rate.