Table of Contents

State/Territory Name: North Carolina

State Plan Amendment (SPA) #: 21-0007

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
June 28, 2021

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: TN 21-0007

Dear Mr. Richard:

We have reviewed the proposed North Carolina State Plan Amendment (SPA) 21-0007, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on April 12, 2021. This SPA will redefine the payment limit to eligible medical professionals of UNC Health Care and ECU Physicians from a unique count of eligible medical professional providers to an aggregate dollar cap in preparation for the North Carolina Medicaid Transformation to Managed Care.

Based upon the information provided by the State, we have approved the amendment with an effective date of July 1, 2021. We are enclosing the approved CMS-179 and a copy of the new state plan page.

If you have any additional questions or need further assistance, please contact Moe Wolf at 410-786-9291 or Moshe.Wolf@CMS.HHS.gov.

Sincerely,

Todd McMillion
Director
Division of Reimbursement Review

Enclosures
TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

1. TRANSMITTAL NUMBER: 21-0007
2. STATE: NC
3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)

FOR: HEALTH CARE FINANCING ADMINISTRATION

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE: July 1, 2021
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)

   42 CFR §447.201

7. FEDERAL BUDGET IMPACT:
   a. FFY 2021: $0.00
   b. FFY 2022: $0.00

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):
   Attachment 4.19-B, Section 5, Page 2

10. SUBJECT OF AMENDMENT:
    Physician Services UPI

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
    TITLE: Secretary

14. DATE SUBMITTED: 4/7/2021

16. RETURN TO:
    Office of the Secretary
    Department of Health and Human Services
    2001 Mail Service Center
    Raleigh, NC 27699-20014

17. DATE RECEIVED: April 12, 2021
18. DATE APPROVED: June 28, 2021

FOR REGIONAL OFFICE USE ONLY

19. EFFECTIVE DATE OF APPROVED MATERIAL: July 1, 2021

21. TYPED NAME: Todd McMillion
    TITLE: Director, Division of Reimbursement Review

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. Effective April 1, 2019, all UPL calculations for services rendered during SFY 2019 and after shall not be subject to the restrictions in this paragraph for those practices in those counties designated as rural counties as of January 2018 as listed on the North Carolina Department of Health and Human Services Office of Rural Health, Health Statistics and Data website.

(iv) Effective for services beginning July 1, 2021, the total annual supplemental payments made under this section shall not exceed one hundred percent (100%) of the gross supplemental payments for services provided by eligible medical providers for payments pertaining to the 2018-2019 state fiscal year (“Base Year”), identified in subparagraphs (a) and (b) below. These aggregate Base Year payment limits will be trended forward to each July 1 by the Medicare Economic Index most recently published in the Federal Register and any volume adjustment approved by the North Carolina General Assembly.

a.) $4,528,834 for East Carolina University (ECU) Brody School of Medicine.

b.) $22,083,760 for UNC Health Care, which includes the University of North Carolina at Chapel Hill (UNC) Faculty Physicians, the UNC Hospitals’ Pediatric Clinic, UNC Physicians Network, and 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.

TN. No. 21-0007  
Supersedes  
TN. No. 19-0001  
Approval Date: 6/28/21  
Effective Date: 07/01/2021