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State/Territory Name: **North Carolina**

State Plan Amendment (SPA) #: **21-0013**

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
601 E. 12th St., Room 355
Kansas City, Missouri 64106



Medicaid and CHIP Operations Group

May 6, 2022

Dave Richard
Deputy Secretary, NC Medicaid
North Carolina Department of Health and Human Services
2501 Mail Service Center
Raleigh, NC 27699-2501

Re: North Carolina State Plan Amendment (SPA) 21-0013

Dear Mr. Richard:

The Centers for Medicare & Medicaid Services (CMS) reviewed your Medicaid State Plan Amendment (SPA) submitted under transmittal number (TN) 21-0013. This amendment proposes to sunset the Pregnancy Medical Home (PMH) program. The PMH program will be replaced by the Pregnancy Management Program.

We conducted our review of your submittal according to statutory requirements in Title XIX of the Social Security Act and implementing regulations. This letter is to inform you that North Carolina Medicaid SPA 21-0013 was approved on May 5, 2022, with an effective date of July 1, 2021.

If you have any questions, please contact Michael Rosen-Kahnowitz at 212-616-2327 or via email at Michael.kahnowitz@cms.hhs.gov

Sincerely,

A large black rectangular box redacting the signature of James G. Scott.

James G. Scott, Director
Division of Program Operations

cc: Melanie Bush
Emma Sandoe
Betty Staton
Cecilia Williams

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|------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|-----------------------|
| TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION | 1. TRANSMITTAL NUMBER: 21-0013 | 2. STATE NC |
| | 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, 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)

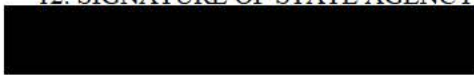
| | |
|-----------------|--------------------------------------------------------------------------------------------|
| 42 CFR §447.201 | 7. FEDERAL BUDGET IMPACT: a. FFY 2021 \$264,451 b. FFY 2022 \$1,016,694 |
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| 8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B, Sec. 2, Pg. 2b, 2f; Sec. 5, Pg. 3, Sec 6, Pg. 1c, Sec. 9, Pg. 1.2, Sec. 17, Pg. 1, Sec. 25, Pg. 1. Attachment 3.1-B, Pg. 7(a); Attachment 3.1-A, Pg. 8(b); Attachment 3.1-F, Pg. 1 | 9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-B, Sec. 2, Pg. 2b, 2f; Sec. 5, Pg. 3, Sec 6, Pg. 1c, Sec. 9, Pg. 1.2, Sec. 17, Pg. 1, Sec. 25, Pg. 1. Attachment 3.1-B, Pg. 7(a); Attachment 3.1-A, Pg 8(b); Attachment 3.1 F, Pg. 1 |
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10. SUBJECT OF AMENDMENT:
Pregnancy Management Program

11. GOVERNOR'S REVIEW (Check One):

GOVERNOR'S OFFICE REPORTED NO COMMENT
 OTHER, AS SPECIFIED: Secretary
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

| | |
|--------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|
| 12. SIGNATURE OF STATE AGENCY OFFICIAL:  | 16. RETURN TO: Office of the Secretary Department of Health and Human Services 2001 Mail Service Center Raleigh, NC 27699-20014 |
| 13. TYPED NAME: Mandy Cohen, MD, MPH | |
| 14. TITLE: Secretary | |
| 15. DATE SUBMITTED: September 28, 2021 | |

FOR REGIONAL OFFICE USE ONLY

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|----------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|
| 17. DATE RECEIVED: September 28, 2021 | 18. DATE APPROVED: 05/05/2022 |
| PLAN APPROVED – ONE COPY ATTACHED | |
| 19. EFFECTIVE DATE OF APPROVED MATERIAL: 07/01/2021 | 20. SIGN  |
| 21. TYPED NAME: James G. Scott | 22. TITLE: Director, Division of Program Operations |

23. REMARKS:

Pen and ink changes authorized by the state on November 9, 2021 to remove Attachment 3.1-F, Pg.1 and add Attachment 3.1-A, Pg. 8(b).

20. **DESCRIPTION OF EXTENDED SERVICES TO PREGNANT WOMEN**

Pregnancy related and postpartum services include:

Physician
Clinic, including rural health and migrant health
In-patient hospital
Outpatient hospital
Prescription drugs

The above services are provided to all Medicaid eligibles. The restrictions specified in ATTACHMENT 3.1-A.1 apply to all eligibles including pregnant women. Services available to pregnant women do not exceed the scope of services available to other eligible individuals or groups.

Childbirth Education Classes

Childbirth education classes include a series of classes designed to help prepare pregnant women and their support person for the labor and delivery experience. The classes are based on a written curriculum that outlines the course objectives and specific content to be covered in each class as approved and published in Medicaid Clinical Coverage Policies at the NC Division of Health Benefits website, <https://medicaid.ncdhhs.gov/providers/clinical-coverage-policies>.

Qualified providers must:

- be enrolled with the N.C. Medicaid Program; and
- be certified as a childbirth educator by a nationally recognized organization for childbirth education or meet State-approved childbirth education program requirements; and be a licensed practitioner operating within the scope of their practice as defined under State law or
- be under the personal supervision of an individual licensed under State law to practice medicine.

Pregnancy Management Program

The Pregnancy Management Program (PMP) is a medical home for pregnant Medicaid beneficiaries that provides case management services to affect positive changes in the delivery of prenatal care and pregnancy outcomes.

Qualified providers must:

- be currently enrolled with the N.C. Medicaid Program;
- meet Medicaid's qualifications for participation; and
- bill only for procedures, products, and services that are within the scope of their clinical practice, as defined by the appropriate licensing entity.

PMP providers include:

Individual physicians or physician groups, nurse practitioners, certified nurse midwives, and physician assistants enrolled with Medicaid and practicing in one of the following:

- a. General Medicine/ Family Medicine;
- b. Obstetrics/Gynecology;
- c. Multi-specialty;
- d. Federally Qualified Health Clinics (FQHC);
- e. Rural Health Clinics (RHC); or
- f. Local Health Departments (LHD).

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PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICE

- (B) Provider clinics are paid on the basis of the principles and at the Medicare determined rates specified in the Medicare regulation in Part 405, Subpart D not to exceed the Medicare established limits. For Medicaid only services, the interim rates are based on a Medicaid fee schedule.
- (C) Independent clinics are paid for all core services offered by the clinic at a single cost-reimbursement rate for clinic visit, established by the Medicare carrier, which includes the cost of all core services furnished by the clinic.
- (D) Effective October 1, 1993, physician-provided services at a hospital inpatient or an outpatient location are paid at the existing fee-for-service rate only to those clinics whose agreement with their physician states that the clinic does not compensate the physician for services in a location other than at the rural health clinic location.
- (A) If the Core Service Provider Number has a Change of Ownership, the new provider will be reimbursed under the PPS methodology established in paragraph (3) above.

Enhanced Reimbursement for Pregnancy Management Program Services will be made to RHC providers. The Pregnancy Management Program will be paid these enhanced payments in addition to their regular reimbursement.

Two enhanced payments may be made to RHCs for services provided by a Pregnancy Management Program. Upon completion of the high-risk screening, an enhanced payment of \$50.00 will be made to the PMP. Upon completion of the recipient's post-partum visit, an enhanced payment of \$150.00 will be made to the PMP provider. The PMP provider will receive a maximum of \$200 enhanced payments per recipient per pregnancy even if there are multiple births.

Additionally, the PMP provider receives an enhanced rate for a vaginal delivery by paying the same rate for the vaginal delivery as for an uncomplicated c-section. Only the physician rates for the delivery codes are enhanced. The enhanced rates were determined by applying a 13.2% increase to the NC Medicaid Physician Fee Schedule rate as established in Attachment 4.19-B Section 5, Page 1 of the State Plan.

There shall be no cost settlement for any provider in any setting for these services reimbursed at the enhanced rates.

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICE

Alternative Payments

Enhanced Payments for Pregnancy Management Program Services will be made to FQHC providers. The Pregnancy Management Program will be paid these enhanced payments in addition to their regular reimbursement.

- (5) Two enhanced payments may be made to FQHCs for services provided by a Pregnancy Management Program. Upon completion of the high-risk screening, an enhanced payment of \$50.00 will be made to the PMP. Upon completion of the recipient's post-partum visit, an enhanced payment of \$150.00 will be made to the PMP provider. The PMP provider will receive a maximum of \$200 enhanced payments per recipient per pregnancy even if there are multiple births.

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There shall be no cost settlement for any provider in any setting for these services reimbursed at the enhanced rates.

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICE

Enhanced Payments for Pregnancy Management Program Services

This service will be provided by a Pregnancy Management Program (PMP) provider enrolled in Medicaid who may be either private or governmental.

Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private PMP providers. The PMP fee schedule rates were set as of March 1, 2011 and are effective for services provided on or after that date. The fee schedule is published on the agency's website at <https://medicaid.ncdhhs.gov/providers/fee-schedules>

Two enhanced payments may be made to the PMP providers. Upon completion of the high-risk screening, an enhanced payment of \$50.00 will be made to the PMP. Upon completion of the recipient's post-partum visit, an enhanced payment of \$150.00 will be made to the PMP provider. The PMP providers will receive a maximum of \$200 enhanced payments per recipient per pregnancy even if there are multiple births.

PMP providers receive an enhanced rate for a vaginal delivery by paying the same rate for the vaginal delivery as for an uncomplicated c-section. Only the physician rates for ante partum codes, delivery codes and post-partum codes are enhanced. The enhanced rates were determined by applying a 13.2% increase to the NC Medicaid Physician Fee Schedule rate as established in Attachment 4.19-B Section 5, Page 1 of the State Plan.

There shall be no cost settlement for any provider in any setting for these services reimbursed at the enhanced rates.

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 Management Program Services will be made to licensed nurse practitioners for services provided by a Pregnancy Management Program provider. 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.

MEDICAL ASSISTANCE
State: NORTH CAROLINA

PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

Notwithstanding Attachment 4.19-B, Section 5, Page 3, services for ante partum codes, delivery codes and post-partum codes which are billed by Health Departments for physicians, nurse midwives, and nurse practitioners who are salaried employees of a Health Department and whose compensation is included in the service cost of a Health Department when the Health Department is a Pregnancy Management Program (PMP) shall be settled to cost in accordance with the provisions of this Section.

This cost methodology does not apply to the reimbursement for services furnished to Medicaid recipients for Laboratory Services. These services are reimbursed fee-for-service only and Health Department costs for these services shall be excluded from cost settlement.

A. Direct Medical Services Payment Methodology:

The annual cost settlement methodology will consist of a CMS approved cost report, actual time report and reconciliation. If Medicaid payments exceed Medicaid-allowable costs, the excess will be recouped and the Federal share will be returned on the CMS-64 report.

To determine the Medicaid-allowable direct and indirect costs of providing direct medical services to Medicaid recipients receiving Clinic, Family Planning and Family Planning Waiver services in the Health Department the following steps are performed:

- (1) Direct costs for medical service include payroll costs and other costs that can be directly charged to direct medical services. Direct payroll costs include total compensation of direct services of personnel providing direct medical services.

Other direct costs include non-personnel costs directly related to the delivery of medical services, such as purchased services, capital outlay, materials and supplies. These direct costs are accumulated on the annual cost report, resulting in total direct costs.

- (2) Total direct costs for direct medical services from Item A 1 above are reduced on the cost report by any restricted public health service grant payments as defined in CMS Publication 15-1 resulting in adjusted direct costs for direct medical services.

State Plan Under Title XIX of the Social Security Act
Medical Assistance
State: NORTH CAROLINA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICE

17. A. Nurse-Midwife Services.

Payments for Nurse-Midwife 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-Midwife 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-schedules>. Except as otherwise noted in the plan, State developed fee schedule rates are the same for both governmental and private providers.

Effective January 1, 2014, rates for new Nurse-Midwife Services rates shall be set at 98% percent of North Carolinas' Medicaid Physician Services Fee Schedule.

Enhanced Payments for Pregnancy Management Program Services will be made to licensed nurse midwives for services provided by a Pregnancy Management Program provider. 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.

State: North Carolina

REIMBURSEMENT FOR INDIAN HEALTH SERVICE
AND TRIBAL 638 HEALTH FACILITIES

- a) Payment for services to Indian Health Service and Tribal 638 Health Facilities is based upon the amounts as determined and published in the Federal Register by the United States Government for these providers.
- b) In addition to the payments received in paragraph (a) of this section, Indian Health Services and Tribal 638 Health Facilities are eligible to receive two enhanced payments under the Pregnancy Management Program provider (PMP).

Two enhanced payments may be made to the PMP providers. Upon completion of the high-risk screening, an enhanced payment of \$50.00 will be made to the PMP. Upon completion of the recipient's post-partum visit, an enhanced payment of \$150.00 will be made to the PMP provider. The PMP providers will receive a maximum of \$200 enhanced payments per recipient per pregnancy even if there are multiple births.

Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private PMP providers. The above enhanced payments are PMP fee schedule rates were set as of March 1, 2011 and are effective for services provided on or after that date. The fee schedule is published on the agency's website at <https://medicaid.ncdhhs.gov/providers/fee-schedules>.

There shall be no cost settlement for any provider in any setting for these services reimbursed at the enhanced rates.