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State/Territory Name: North Carolina

State Plan Amendment (SPA) #: 21-0026

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) 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

January 25, 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 21-0026

Dear Mr. Richard:

We reviewed your proposed Medicaid State Plan Amendment, NC 21-0026, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on December 6, 2021. This amendment modifies the policy for Third Party Liability (TPL) regarding neonatal claims and complies with the TPL requirements authorized under both the Bipartisan Budget Act (BBA) of 2018 and the Medicaid Services Investment and Accountability Act (MSIAA) of 2019.



CMS approved NC 21-0026 on January 20, 2022, with an effective date of October 1, 2021.

If you have any questions regarding this amendment, please contact William Pak at (404) 562-7407 or via email at William.Pak@cms.hhs.gov.

Sincerely,

A solid black rectangular box used to redact the signature of Ruth A. Hughes.

Ruth A. Hughes, Acting Director
Division of Program Operations
Medicaid and CHIP Operations Group

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: 21-0026	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 October 1, 2021	
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>			
CFR 433.138		7. FEDERAL BUDGET IMPACT: a. FFY 2021 \$0.00 b. FFY 2022 \$0.00	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.22-B, Pages 1-2 Section 4, Pages 69-70		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.22-B, Pages 1-2 Section 4, Pages 69-70	
10. SUBJECT OF AMENDMENT: Third Party Liability (TPL) Cost Avoidance for Neonatal Claims			
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: 		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: December 6, 2021			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: December 6, 2021		18. DATE APPROVED: January 20, 2022	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: October 1, 2021			
21. TYPED NAME: Ruth A. Hughes		22. TITLE: Acting Director, Division of Program Operations	
23. REMARKS: Pen and ink changes made to Box 8 and Box 9 with approval of the state on January 13, 2022.			

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: North Carolina

Requirements for Third Party Liability -
Identifying Liable Resources

- (1) If a provider has billed a third party and has not received payment, the provider will be required to submit proof that he or she has attempted to bill the third party within 90 days and has not received payment. The provider must indicate, in writing, either on the hardcopy claim form or a separate form that he had billed the third party and has not received payment. The TPL unit will verify with the insurance carrier the availability of third party payments and if the payments are available, the TPL unit will bill the third party for reimbursement to the Medicaid program. If the absent or custodial parent is to make medical support payments, in cash, through the clerk of courts office, the TPL unit will bill the absent or custodial parent for medical services on a routine schedule, not to exceed every sixty (60) days if there has been Medicaid payments on behalf of the child(ren). The TPL unit will allow up to (100) days to pay claims related to medical support enforcement. For those absent parents who are court ordered to provide health insurance, the TPL unit will pay and chase the Medicaid claims. If the provider uses electronic billing, the TPL unit will do selective monitoring to verify provider compliance with this regulation. This will be done by selecting a sample of recipients with TPL available and securing the paid claim history for the proceeding three (3) months for these recipients and verify with the third party carrier the information the provider furnished on his claim form.

(BPD)

Revision: HCFA-PM-90-2
January 1990

Attachment 4.22-B
Page 2
OMB No:0938-0193

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: North Carolina

Requirements for Third Party Liability -
Identifying Liable Resources

- (2) The State of North Carolina will cost avoid claims for prenatal services. Prenatal services include labor, delivery and postpartum care services. Preventive pediatric services including EPSDT for those recipients that have major medical insurance coverage the state will pay and chase these claims unless the state has made a determination related to cost effectiveness and access to care that warrants cost avoidance for up to (90) days. The state collects all known third-party liability prior to making payments on claims. The TPL unit will accumulate these claims for a period of six (6) months and bill the major medical carriers for payment. The first billing will be done in January, 1992 for claims paid May 7, 1991 to December 31, 1991. After that, they will be billed to the insurance carrier each July and January for the preceding six (6) months.
- (3) North Carolina does not use a threshold for TPL claims processing. We cost avoid all claims, except those for which we have a waiver, when there is health insurance indicated on the TPL data base and recipient eligibility file.
- (4) All claims for a recipient related to trauma diagnosis code between 800.00 and 999.99 are accumulated for a period of one (1) month and a questionnaire is mailed to that recipient at the end of the month requesting information related to a possible accident and any and all information regarding the liable party and/or the recipient's attorney. See Attachment 3 in the North Carolina TPL Action Plan for a sample copy of the questionnaire.

TN No. 21-0026
Supersedes
TN No. 91-49

Approval Date 01/20/2022 Eff. Date 10/01/2021

Revision: HCFA-PM-94-1 (MB)
FEBRUARY 1994

State/Territory: North Carolina

Citation

4.22 Third Party Liability

- | | |
|---|---|
| 42 CFR 433.137 | (a) The Medicaid agency meets all requirements of: |
| | (1) 42 CFR 433.138 and 433.139. |
| | (2) 42 CFR 433.145 through 433.148. |
| | (3) 42 CFR 433.151 through 433-154. |
| 1902(a) (25) (H) and (I) Act. | (4) Sections 1902(a) (25) (H) and (I) of the Act. |
| 42 CFR 433.138(f) | (b) <u>ATTACHMENT 4.22-A -</u> |
| | (1) The frequency with which the data exchanges required in §433.138(d) (1), (d) (3) and (d) (4) and the diagnosis and trauma code edits required in §433.138(e) are conducted; |
| 42 CFR 433.138(g) (1) (ii) and (2) (ii) | (2) Describes the methods the agency uses for meeting the follow-up requirements contained in §433. 138 (g) (1) (i) and (g) (2) (i); |
| 42 CFR 433.138(g) (3) (i) and (iii) | (3) Describes the methods the agency uses for following up on information obtained through the State motor vehicle accident report file data exchange required under §433.138(d) (4) (ii) and specifies the time frames for incorporation into the eligibility case file and into its third party data base and third party recovery unit of all information obtained through the follow up that identifies legally liable third party resources; and |
| 42 CFR 433.138(g) (4) (i) through (iii) | (4) The methods the agency uses for following up on paid claims identified under §433.138(e) and specifies the time frames for incorporation into the eligibility case file and into its third party data base and third party recovery unit of all information obtained through the follow up that identifies legally liable third party resources. |

TN No. 21-0026
Supersedes
TN No. 94-11

Approval Date 01/20/2022

Effective Date 10/01/2021

Revision: HCFA-PM-94-1 (MB)
FEBRUARY 1994

State/Territory: North Carolina

Citation

- 42 CFR 433.139(b) (3) X (c) Providers are required to bill
(ii) (A) liable third parties when services
covered under the plan are furnished
to an individual an whose behalf child
support enforcement is being carried
out by the State IV-D agency.
- (d) ATTACHMENT 4.22-B specifies the
following:
- 42 CFR 433.139(b) (3) (ii) (C) (1) The method used in
determining a provider's
compliance with the third party
billing requirements at
§433.139(b) (3) (ii) (C) .
- 42 CFR 433.139(f) (2) (2) The guideline used in
determining whether to seek
recovery of reimbursement from
liable third party, or the
process by which the agency
determines that seeking recovery
of reimbursement would not be
cost effective.
- 42 CFR 433.139(f) (3) (3) The dollar amount or time
period the State uses to
accumulate billings from a
particular liable third party in
making this decision to seek
recovery of reimbursement.
- 42 CFR 447.20 (e) The Medicaid agency ensures that
the provider furnishing a service for
which a third party is liable follows
the restrictions specified in 42 CFR
447.20.

Revision: HCFA-PM-94-1 (MB)
FEBRUARY 1994

State/Territory: North Carolina

Citation

4.22 (continued):

42 CFR 433.151(a) (f) The Medicaid agency has written cooperative agreements for the enforcement of rights to and collection of third party benefits assigned to the State as a condition of eligibility for medical assistance with the following: (Check as appropriate.)

X State title IV-D agency. The requirements of 42 CFR 433.152 (b) are met.

___ Other appropriate State agency(s) --

___ Other appropriate agency(s) of another State --

X Courts and law enforcement officials.

1902(a) (60) of the Act (g) The Medicaid agency assures that the State has in effect the laws relating to medical child support under section 1908 of the Act.

1906 of the Act (h) The Medicaid, agency specifies the guidelines used in determining the cost effectiveness of an employer-based group health plan by selecting one of the following.

___ The Secretary's method as provided in the State Medicaid Manual, Section 3910.

X The State provides methods for Determining cost effectiveness on ATTACHMENT 4.22-C.