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State/Territory Name: NC

State Plan Amendment (SPA) #: 22-0018

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

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) Transmittal Number 22-0018

Dear Mr. Richard:

We have reviewed the proposed North Carolina State Plan Amendment (SPA) 22-0018, which was received by the Centers for Medicare & Medicaid Services (CMS) on June 21, 2022. This SPA will supersede NC-21-0007 and amend the Physician Services Section, Attachment 4.19-B, Section 5, Page 2 of the Medicaid State Plan. North Carolina Session Law 2020-88, Section 13 identified a payment limit to eligible medical professionals of UNC Health Care and ECU Physicians expressed as a dollar cap. This cap is in aggregate and across both fee-for-service (FFS) and Managed Care delivery systems. This State Plan Amendment is an annual adjustment to reflect the component of the payment limit cap applicable to the fee-for service activity for the State Fiscal Year beginning July 1, 2022.

Based upon the information provided by the State, we have approved the amendment with an effective date of July 1, 2022. 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 Matthew Klein at 214-767-4625 or matthew.klein@cms.hhs.gov

Sincerely,

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

Todd McMillion
Director
Division of Reimbursement Review

Enclosures

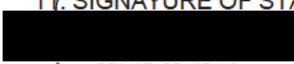
**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER <u>2 2 — 0 0 1 8</u>	2. STATE <u>NC</u>
3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT <input checked="" type="radio"/> XIX <input type="radio"/> XXI	
4. PROPOSED EFFECTIVE DATE July 01, 2022	
6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY <u>22</u> \$ <u>0</u> b. FFY <u>23</u> \$ <u>0</u>	
5. FEDERAL STATUTE/REGULATION CITATION 42 CFR §447.201	8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Attachment 4.19-B, Section 5 , Page 2
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19-B, Section 5 , Page 2	
9. SUBJECT OF AMENDMENT Physician Services-Eligible Medical Professionals	

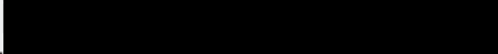
10. GOVERNOR'S REVIEW (Check One)

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

OTHER, AS SPECIFIED: Secretary

11. SIGNATURE OF STATE AGENCY OFFICIAL 	15. RETURN TO Office of the Secretary Department of Health and Human Services 2001 Mail Service Center Raleigh, NC 27699-20014
12. TYPED NAME Kody H. Kinsley	
13. TITLE Secretary	
14. DATE SUBMITTED 06/16/22 9:08 AM EDT	

FOR CMS USE ONLY

16. DATE RECEIVED 06/21/2022	17. DATE APPROVED August 17, 2022
PLAN APPROVED - ONE COPY ATTACHED	
18. EFFECTIVE DATE OF APPROVED MATERIAL 07/01/2022	19. SIGNATURE OF APPROVING OFFICIAL 
20. TYPED NAME OF APPROVING OFFICIAL Todd McMillion	21. TITLE OF APPROVING OFFICIAL Director, Division of Reimbursement Review

22. 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”). 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. For services beginning July 1, 2022, these payment limits are as follows:
 - a.) \$ 3,412,748 for East Carolina University (ECU) Brody School of Medicine.
 - b.) \$17,311,539 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.