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State/Territory Name: NORTH CAROLINA

State Plan Amendment (SPA) #: NC-23-0013

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form
- 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

July 11, 2023

Jay Ludlam
Deputy Secretary
Office of the Deputy Secretary for Medicaid
Department of Health and Human Services
2501 Mail Service Center
Raleigh, NC 27699-20014

RE: NC-23-0013

Dear Deputy Secretary Ludlam,

We have reviewed the proposed North Carolina State Plan Amendment (SPA) to Attachment 4.19-B which was submitted to the Centers for Medicare & Medicaid Services (CMS) on May 30, 2023. This plan amendment proposes to set the rates for telehealth audio-only codes 99441, 99442 and 99443 at 86 percent of the 2022 Medicare Resource-Based Relative Value Scale (RBRVS) physician fee schedule (PFS).

Based upon the information provided by the State, we have approved the amendment with an effective date of May 12, 2023. 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 Ysabel Gavino at maria.gavino@cms.hhs.gov

Sincerely,



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

2 3 — 0 0 1 3

2. STATE

NC

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT



XIX



XXI

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

May 12, 2023

5. FEDERAL STATUTE/REGULATION CITATION

42 CFR 447.400.

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 23 \$ 116,903
b. FFY 24 \$ 374,792

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

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

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

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

9. SUBJECT OF AMENDMENT

Physician's Services

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. DocuSigned by: TATE AGENCY OFFICIAL

12. TYPED NAME
Jay Ludlam

13. TITLE
Deputy Secretary

14. DATE SUBMITTED
05/16/23 | 1:15 PM EDT

15. RETURN TO

Office of the Deputy Secretary for Medicaid
Department of Health and Human Services
2501 Mail Service Center
Raleigh, NC 27699-20014

FOR CMS USE ONLY

16. DATE RECEIVED
May 30, 2023

17. DATE APPROVED
July 11, 2023

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
May 12, 2023

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

The State authorizes CMS the following pen and ink changes to Block 7 and Block 8:
Attachment 4.19-B, Section 5, Pages 1, 1f and Section 6, Page 1c.

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://ncdhhs.servicenow.com/fee_schedules
- (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, Physicians' services rendered in calendar year 2019 and thereafter, 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.

Effective December 1, 2022, circumcision codes 54150, 54160 and 54161 will be set at 200 percent of the 2009 Medicare Resource-Based Relative Value Scale (RBRVS) physician fee schedule (PFS) and adjusted annually going forward if the 2009 Medicare RBRVS is less than the Medicare RBRVS in effect January 1.

Effective December 1, 2022, psychiatric collaborative care codes 99492, 99493 and 99494 will be set at 120 percent of the 2022 Medicare Resource-Based Relative Value Scale (RBRVS) physician fee schedule (PFS) and adjusted annually if the 2022 Medicare RBRVS is less than the Medicare RBRVS in effect January 1.

Effective May 12, 2023, telehealth audio-only codes 99441, 99442 and 99443 will be set at 86 percent of the 2022 Medicare Resource-Based Relative Value Scale (RBRVS) physician fee schedule (PFS). Reimbursement for Tribal and Indian Health Services (IHS) providers will remain unchanged.

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, Physician Assistants' services rendered in calendar year 2019 and thereafter, 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.

Effective December 1, 2022, circumcision codes 54150, 54160 and 54161 will be set at 200 percent of the 2009 Medicare Resource-Based Relative Value Scale (RBRVS) physician fee schedule (PFS) and adjusted annually going forward if the 2009 Medicare RBRVS is less than the Medicare RBRVS in effect January 1.

Effective December 1, 2022, psychiatric collaborative care codes 99492, 99493 and 99494 will be set at 120 percent of the 2022 Medicare Resource-Based Relative Value Scale (RBRVS) physician fee schedule (PFS) and adjusted annually if the 2022 Medicare RBRVS is less than the Medicare RBRVS in effect January 1.

Effective May 12, 2023, telehealth audio-only codes 99441, 99442 and 99443 will be set at 86 percent of the 2022 Medicare Resource-Based Relative Value Scale (RBRVS) physician fee schedule (PFS). Reimbursement for Tribal and Indian Health Services (IHS) providers will remain unchanged.

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, Nurse practitioners' services rendered in calendar year 2019 and thereafter, 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.

Effective December 1, 2022, circumcision codes 54150, 54160 and 54161 will be set at 200 percent of the 2009 Medicare Resource-Based Relative Value Scale (RBRVS) physician fee schedule (PFS) and adjusted annually going forward if the 2009 Medicare RBRVS is less than the Medicare RBRVS in effect January 1.

Effective December 1, 2022, psychiatric collaborative care codes 99492, 99493 and 99494 will be set at 120 percent of the 2022 Medicare Resource-Based Relative Value Scale (RBRVS) physician fee schedule (PFS) and adjusted annually if the 2022 Medicare RBRVS is less than the Medicare RBRVS in effect January 1.

Effective May 12, 2023, telehealth audio-only codes 99441, 99442 and 99443 will be set at 86 percent of the 2022 Medicare Resource-Based Relative Value Scale (RBRVS) physician fee schedule (PFS). Reimbursement for Tribal and Indian Health Services (IHS) providers will remain unchanged.