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State/Territory Name: NORTH CAROLINA

State Plan Amendment (SPA) #: NC-24-0026

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
230 South Dearborn
Chicago, Illinois 60604



Financial Management Group

December 16, 2024

Jay Ludlam
Office of the Deputy Secretary
Department of Health and Human Services
2001 Mail Service Center
Raleigh, NC 27699-20014

RE: TN 24-0026

Dear Deputy Secretary Ludlam,

The Centers for Medicare & Medicaid Services (CMS) has reviewed the proposed North Carolina State Plan Amendment (SPA) to Attachment 4.19-B 24-0026, which was submitted to CMS on September 30, 2024. This 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, 2024.

We reviewed your SPA submission for compliance with statutory requirements including in sections 1902(a)(2), 1902(a)(13), 1902(a)(30), and 1903 as it relates to the identification of an adequate source for the non-federal share of expenditures under the plan, as required by 1902(a)(2), of the Social Security Act and the applicable implementing Federal regulations.

Based upon the information provided by the state, we have approved the amendment with an effective date of July 1, 2024. 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 via email at maria.gavino@cms.hhs.gov.

Sincerely,

A black rectangular box redacting the signature of Todd McMillion.

Todd McMillion
Director
Division of Reimbursement Review

Enclosures

<div>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES</div>		1. TRANSMITTAL NUMBER <div>24 — 0026</div>	2. STATE <div>NC</div>
		3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT <div><input checked="" type="radio"/> XIX <input type="radio"/> XXI</div>	
TO: CENTER DIRECTOR CENTERS FOR MEDICAID & CHIP SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE <div>July 01, 2024</div>	
5. FEDERAL STATUTE/REGULATION CITATION <div>42 CFR §447.201</div>		6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY <div>24</div> \$ <div>0</div> <div>\$ -2,977,403</div> b. FFY <div>25</div> \$ <div>0</div> <div>\$ -8,854,668</div>	
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT <div>Attachment 4.19-B, Section 5, Page 2</div>		8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) <div>Attachment 4.19-B, Section 5, Page 2</div>	
9. SUBJECT OF AMENDMENT <div>Physician Services - Eligible Medical Professionals</div>			
10. GOVERNOR'S REVIEW (Check One) <div><input type="radio"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="radio"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="radio"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL <input checked="" type="radio"/> OTHER, AS SPECIFIED: Secretary</div>			
11. SIGNATURE OF STATE AGENCY OFFICIAL <div></div>		15. RETURN TO Office of the Deputy Secretary Department of Health and Human Services 2001 Mail Service Center Raleigh, NC 27699-20014	
12. TYPED NAME Jay Ludlam			
13. TITLE Deputy Secretary			
14. DATE SUBMITTED 09/11/24 9:14 PM EDT			
FOR CMS USE ONLY			
16. DATE RECEIVED September 30, 2024		17. DATE APPROVED December 16, 2024	
PLAN APPROVED - ONE COPY ATTACHED			
18. EFFECTIVE DATE OF APPROVED MATERIAL July 1, 2024		19. SIGNATURE OF APPROVING OFFICIAL <div></div>	
20. TYPED NAME OF APPROVING OFFICIAL Todd McMillion		21. TITLE OF APPROVING OFFICIAL Director, FMG Division of Reimbursement Review	
22. REMARKS <div>The State approved the pen and ink change on Block 6 Federal Budget Impact - 12/3/24 MYLG</div>			

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 or ECU Health Physicians. 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, 2024, these payment limits are as follows:

- a.) \$2,639,086 for ECU Health, which includes East Carolina University (ECU) Brody School of Medicine and ECU Health Physicians.
- b.) \$13,864,353 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.