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**State/Territory Name: NORTH CAROLINA**

**State Plan Amendment (SPA) #: NC-23-0012**

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



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**Financial Management Group**

December 5, 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: North Carolina State Plan Amendment Transmittal Number 23-0012

Dear Deputy Secretary Ludlam,

We have reviewed the proposed North Carolina State Plan Amendment (SPA) to Attachment 4.19-B of your Medicaid State Plan submitted under transmittal number (TN) 23-0012, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on May 2, 2023. This State Plan Amendment (SPA) 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 (SFY) beginning July 1, 2023.

Based upon the information provided by the State, we have approved the amendment with an effective date of July 1, 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](mailto:maria.gavino@cms.hhs.gov)

Sincerely,



Todd McMillion  
Director  
Division of Reimbursement Review

Enclosures

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b> <b>FOR: CENTERS FOR MEDICARE &amp; MEDICAID SERVICES</b>	1. TRANSMITTAL NUMBER <u>2 3 — 0 0 1 2</u>	2. STATE <u>NC</u>
	3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT <input checked="" type="radio"/> XIX <input type="radio"/> XXI	
TO: CENTER DIRECTOR CENTERS FOR MEDICAID & CHIP SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE <b>July 01, 2023</b>	
5. FEDERAL STATUTE/REGULATION CITATION <b>42 CFR §447.201.</b>	6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY <u>23</u> \$ <u>0</u> b. FFY <u>24</u> \$ <u>0</u>	
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT <b>Attachment 4.19-B, Section 5, Page 2</b>	8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) <b>Attachment 4.19-B, Section 5, Page 2</b>	
9. SUBJECT OF AMENDMENT		

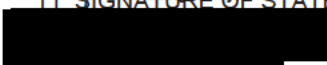
**Physicians Services- Eligible Medical Professionals**

10. 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

11. SIGNATURE OF STATE AGENCY OFFICIAL 	15. RETURN TO Office of the Deputy Secretary for Medicaid Department of Health and Human Services 2501 Mail Service Center Raleigh, NC 27699-20014
12. TYPED NAME Jay Ludlam	
13. TITLE Deputy Secretary, NC Medicaid	
14. DATE SUBMITTED 04/21/23   1:51 PM EDT	

**FOR CMS USE ONLY**

16. DATE RECEIVED May 2, 2023	17. DATE APPROVED December 5, 2023
<b>PLAN APPROVED - ONE COPY ATTACHED</b>	
18. EFFECTIVE DATE OF APPROVED MATERIAL July 1, 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

MEDICAL ASSISTANCE  
State: NORTH CAROLINA  
PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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(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, 2023, these payment limits are as follows:
    - a.) \$5,275,421 for ECU Health, which includes East Carolina University (ECU) Brody School of Medicine and ECU Health Physicians.
    - b.) \$25,619,706 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.