



NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**
Division of Health Benefits

ROY COOPER • Governor
KODY H. KINSLEY • Secretary
DAVE RICHARD • Deputy Secretary, NC Medicaid

February 08, 2023

James Scott, Director
Division of Program Operations
Department of Health & Human Services
Centers for Medicare & Medicaid Services
601 East 12th Street Room 355
Kansas City, Missouri 64106

SUBJECT: State Plan Amendment
Title XIX, Social Security Act
Transmittal #2023-0002

Dear Mr. Scott:

Please find attached an amendment for North Carolina's State Plan under Title XIX of the Social Security Act for the Medical Assistance Program. The affected pages are Attachment 4.19 B, Section 2, Pages 1c and 1d. The purpose of this State Plan Amendment is to request authority for an amendment to reimburse hospitals licensed by the State of North Carolina, except as otherwise noted in the State Plan, for outpatient hospital behavioral health services provided to Medicaid beneficiaries awaiting hospital discharge to a more appropriate setting in accordance with Medicaid Clinical Coverage Policy.

The state-developed fee schedule for Emergency Department Bed Hold rates is the same for both governmental and private providers of Behavioral Health (BH) services to beneficiaries awaiting hospital discharge. Individual hospital specific per diem hourly rates will be effective as of March 1, 2023, for services provided on or after that date. The rate will be billed in hourly increments. Additionally, all rates are on the agency's fee schedule which will be published on the agency's website at https://ncdhhs.servicenowservices.com/fee_schedules.

The proposed effective date is March 01, 2023.

Your approval of this State Plan Amendment is requested. If you have any questions or concerns, please contact me or Cecilia Williams at (919) 270-2530.

Sincerely,

DocuSigned by:
Jay Ludlam
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Jay Ludlam
Assistant Secretary for Medicaid

Enclosures

State Plan Under Title XIX of the Social Security Act
 Medical Assistance Program
 State: NORTH CAROLINA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICE

2.a **OUTPATIENT HOSPITAL BEHAVIORAL HEALTH SERVICES for BENEFICIARIES AWAITING DISCHARGE**

Effective March 1, 2023, Medicaid is required to reimburse Hospitals licensed by the State of North Carolina, except as otherwise noted in the state plan, for outpatient hospital behavioral health services provided to Medicaid beneficiaries awaiting hospital discharge to a more appropriate setting in accordance with Medicaid Clinical Coverage Policy.

The state-developed fee schedule for Emergency Department Bed Hold rates is the same for both governmental and private providers of BH services to beneficiaries awaiting hospital discharge. Individual hospital specific per diem hourly rates will be effective as of March 1, 2023, for services provided on or after that date. The rate will be billed in hourly increments. All rates are on the agency's fee schedule which is published on the agency's website at https://ncdhhs.servicenowservices.com/fee_schedules.

Hospital reimbursement in this section is only applicable to hospitals servicing Medicaid beneficiaries who meet all of the criteria as defined in Medicaid Clinical Coverage Policy sections 3.2.1.4 and 3.2.1.5

- 1) Services reimbursed under this section shall be considered outpatient services to be reimbursed at the established per diem hourly rate.
- 2) Other ancillary services, such as laboratory services, imaging, and prescription drugs, shall be reimbursed separately including any additional services not included as part of the defined Medicaid Clinical Coverage Policy sections 3.2.1.4 and 3.2.1.5

For dates of service beginning March 1, 2023, the individual hospital per diem hourly rate for these services shall be determined based on the steps below.

(MCR):

- A) Identify the hospital specific general adjusted inpatient routine service cost from Worksheet D-1, Line 38 of the hospital's 2021 Healthcare Cost Report Information System (HCRIS) data.
- B) Divide the hospital's adjusted general inpatient service cost from step (A) by 24 to determine the gross hourly rate
- C) Multiply each hospital's individual gross hourly rate by ninety percent (90%)

For dates of service after June 30, 2023, the individual hospital per diem hourly rate for these services will be updated annually at the start of each state fiscal year (July 1) based on information from each hospital's HCRIS data most recently filed with CMS and available as of the prior September 30 using the following steps. All Medicare cost report worksheet, column or line references are based upon the Medicare Cost Report (MCR) CMS 2552 - 10 and should be adjusted for any CMS approved successor Medicare Cost Report (MCR):

- A) Identify the hospital specific general adjusted inpatient routine service cost from Worksheet D-1, Line 38 of the hospital's HCRIS data.
- B) Divide the hospital's adjusted general inpatient service cost from step (A) by 24 to determine the gross hourly rate
- C) Multiply each hospital's individual gross hourly rate by ninety percent (90%)

State Plan Under Title XIX of the Social Security Act
Medical Assistance Program
State: NORTH CAROLINA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICE

The ED Bed Hold rate is only applicable to hours of service provided by the hospital that are incurred above the initial thirty (30) hours of emergency patient boarding required to provide for the safety and wellbeing of Medicaid beneficiaries while awaiting hospital discharge to a more appropriate setting. Reimbursement is applicable to the portion of the overhead cost hospitals incur, including building, fixtures, repairs, operations, laundry and linen, housekeeping, nursing administration, pharmacy overhead, and cafeteria overhead necessary to provide ED Bed Hold services.

Indian Health Services (IHS) or federal recognized tribal providers will receive the All-Inclusive Rate (AIR), also referred to as the OMB rate for Behavioral Health services, instead of the hourly rate. The IHS or tribal provider may receive 1 emergency department (ED) encounter for every 24 hours after the initial 30 hours in the emergency room. The ED encounter will not count toward any daily encounter limitations that may have been established.

TCN. No. 23-0002
Supersedes
TN. No. 21-0005

Approval Date:

Eff Date: 03/01/2023