



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

ROY COOPER • Governor

KODY H. KINSLEY • Secretary

JAY LUDLAM • Deputy Secretary, NC Medicaid

April 20, 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 #2023-0012

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 page is 4.19-B, Section 5, Page 2 of the North Carolina Medicaid State Plan. 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. Additionally, North Carolina Session Law 2022-88, Section 13 identified a payment limit to eligible medical professionals of UNC Health Care and ECU Health expressed as a dollar cap. Further, this cap is in aggregate and across both Fee-for-Service (FFS) and Managed Care delivery systems.

The proposed effective date is July 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

Deputy Secretary, NC Medicaid

Enclosures

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, 2023, these payment limits are as follows:

- a.) \$2,981,759 for ECU Health, which includes East Carolina University (ECU) Brody School of Medicine and ECU Health Physicians.
- b.) \$16,723,975 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.