

**Amendment Number 20 (21)**  
**Prepaid Health Plan Services**  
**#30-190029-DHB – PHP Name**

**THIS Amendment** to the Prepaid Health Plan Services Contract #30-190029-DHB – PHP Name (Contract) awarded February 4, 2019, and subsequently amended, is between the North Carolina Department of Health and Human Services, Division of Health Benefits (Division), and PHP Name (Contractor), each, a Party and collectively, the Parties.

**Background:**

The purpose of this Amendment is to make updates related to provider payments for the Healthcare Access and Stabilization Program, including related technical changes, and Substance Use Disorder (SUD) Services in the following Sections of the Revised and Restated Request for Proposal #30-190029-DHB:

- I. Section III. Definitions, Contract Term, General Terms and Conditions, Other Provisions and Protections; and
- II. Section V. Scope of Services.

**The Parties agree as follows:**

**I. Modifications to Section III. Definitions, Contract Term, General Terms and Conditions, Other Provisions and Protections**

**Specific subsections are modified as stated herein.**

**a. Section III.A. Definitions is revised to add the following:**

- 180. Acute Care Hospital:** Has the same meaning as Acute Care Hospital as defined in NCGS § 108A-145.3(1).
- 181. Critical Access Hospital:** Has the same meaning as Critical Access Hospital as defined in 42 C.F.R. § 400.202.

**II. Modifications to Section V. Scope of Services**

**Specific subsections are modified as stated herein.**

**a. *Section V.D. Providers, 4. Provider Payment, e. Hospital Payments (Excluding Behavioral Health Claims), v.* is revised and restated as follows:**

- a. The PHP shall make additional, utilization-based, directed payments to in-network hospitals owned by UNC Health Care or ECU Health Medical Center as described in the Contract.

**b. *Section V.D. Providers, 4. Provider Payment, I. Additional Directed Payments for Certain Providers (as allowed under 42 C.F.R. § 438.6(c)(1)(iii)(B)), xi.* is revised and restated as follows with no revisions to subparts a)-c):**

- xi. For Directed Payments to ECU Health Medical Center:

**c. Section V.D. Providers, 4. Provider Payment, jj. Healthcare Access and Stabilization Program (HASP), ii. is revised and restated as follows:**

- ii. All requirements in this Section apply to payments for services incurred during State Fiscal Year (SFY) 2023, SFY2024, or SFY2025, as applicable.

**d. Section V.D. Providers, 4. Provider Payment, jj. Healthcare Access and Stabilization Program (HASP), iii. is revised and restated as follows:**

- iii. Hospital classes, as described in this Section, are eligible to receive HASP payments from the PHP for each identified State Fiscal Year.

a) For SFY 2023:

- 1. Class 1: All North Carolina acute care hospitals and critical access hospitals as defined in NCGS § 108A-145.3 included in the PHP's network that are not included in Class 2.
- 2. Class 2: North Carolina hospitals included in the PHP's network that are owned or controlled by the University of North Carolina Health Care System (UNCHS) and ECU Health Medical Center.

b) For SFY 2024:

- 1. Class 1: North Carolina hospitals included in the PHP's network that are owned or controlled by the University of North Carolina Health Care System (UNCHS) and ECU Health Medical Center.
- 2. Class 1a: Hospitals within Class 1 that do not commit to implementing medical debt mitigation policies specified by the North Carolina Department of Health and Human Services (DHHS).
- 3. Class 1b: Hospitals within Class 1 that do commit to implementing medical debt mitigation policies specified by DHHS.
- 4. Class 2: All North Carolina acute care hospitals and critical access hospitals as defined in NCGS § 108A-145.3 included in the PHP's network that are not included in Class 1.
- 5. Class 2a: Hospitals within Class 2 that do not commit to implementing medical debt mitigation policies specified by DHHS.
- 6. Class 2b: Hospitals within Class 2 that do commit to implementing medical debt mitigation policies specified by DHHS.

c) For SFY 2025:

- 1. Class 1: North Carolina hospitals included in the PHP's network that are owned or controlled by the University of North Carolina Health Care System (UNCHS) and ECU Health Medical Center.
- 2. Class 1a: Hospitals within Class 1 that do not submit a report to DHHS documenting implementation of medical debt mitigation policies specified by DHHS.
- 3. Class 1b: Hospitals within Class 1 that do submit a report to DHHS documenting implementation of medical debt mitigation policies specified by the North Carolina Department of Health and Human Services (DHHS).

4. Class 2: All North Carolina acute care hospitals and critical access hospitals as defined in NCGS § 108A-145.3 included in the PHP's network that are not included in Class 1.
5. Class 2a: Hospitals within Class 2 that do not submit a report to DHHS documenting implementation of medical debt mitigation policies specified by DHHS.
6. Class 2b: Hospitals within Class 2 that do submit a report to DHHS documenting implementation of medical debt mitigation policies specified by DHHS.

**e. Section V.D. Provider, 4. Provider Payments, jj. Healthcare Access and Stabilization Program, vi., a) is revised and restated as follows:**

- a) The Department will calculate interim HASP payments for each hospital and PHP by multiplying the applicable uniform percentage increase, as described in *Section V.D.4.jj.v.*, by Medicaid Managed Care base payments from preliminary SFY 2023, SFY 2024, or SFY 2025 encounter data, as applicable based on the current SFY, for each hospital and PHP.

**f. Section V.D. Provider, 4. Provider Payments, jj. Healthcare Access and Stabilization Program, vi., c) is revised and restated as follows:**

- c) The PHP shall distribute interim payments to eligible hospitals according to hospital-specific amounts calculated by the Department, as described in *Section V.D.4.jj.vi.a)*, within five (5) Business Days of receiving the payment from the Department. Penalties and interest apply to late payments as described in *Section V.D.4.l.viii.*, except that for the first HASP payment for services incurred during SFY 2023 to eligible hospitals, penalties as defined in *Section V.D.4.l.viii.*, will not apply.

**g. Section V.D. Provider, 4. Provider Payments, jj. Healthcare Access and Stabilization Program, vii. is revised and restated as follows:**

- vii. No sooner than six (6) months following the end of the rate year, interim HASP payments will be reconciled by the Department based on actual managed care base payments made for services incurred during the SFY 2023, SFY 2024, or SFY 2025 rate year, as applicable based on the rate year that ended.

**h. Section V.D. Provider, 4. Provider Payments, jj. Healthcare Access and Stabilization Program, vii., a), 1.-2. is revised and restated as follows:**

1. Determine final HASP payment amount for each hospital and PHP by multiplying the applicable uniform percentage increase, as described in *Section V.D.4.jj.v.*, by actual Medicaid Managed Care base payments from SFY 2023, SFY 2024, or SFY 2025 encounter data, as applicable based on the rate year that ended.
2. Determine the reconciliation amounts for each hospital and PHP by subtracting the HASP interim payment amount, as calculated under *Section V.D.4.jj.vi.a)*, from the final HASP payment amount calculated in *Section V.D.4.jj.vii.a).1.*

- i. **Section V.D. Provider, 4. Provider Payments, jj. Healthcare Access and Stabilization Program, vii., b) is revised and restated as follows:**
  - b) The Department will calculate and disburse or recoup payments from the PHP based on the reconciliation amounts for network hospitals calculated under *Section V.D.4.jj.vii.a)*. The Department intends to operationalize disbursement or recoupments under this paragraph as an incremental or netting adjustment to a future HASP directed payment transaction and thereby mitigating the need for an additional standalone HASP transaction between the Department and the PHP or between the PHP and the hospital(s). In the event the Department is unable to operationalize the disbursement or recoupment as an incremental or netting transaction for one or more hospitals, the PHP shall do the following:
  
- j. **Section V.D. Provider, 4. Provider Payments, jj. Healthcare Access and Stabilization Program, vii., b), 1. is revised and restated as follows:**
  - 1. If additional disbursement is needed based on the reconciliation calculation by the Department, the PHP shall distribute HASP payment reconciliation amounts to eligible hospitals according to hospital-specific amounts calculated by the Department, as described in *Section V.D.4.jj.vii.a)*, within five (5) Business Days of receiving the payment from the Department. Penalties and interest apply to late payments as described in *Section V.D.4.l.viii*.
  
- k. **Section V.D. Provider, 4. Provider Payments, jj. Healthcare Access and Stabilization Program, ix. is revised and restated as follows:**
  - ix. The requirements specified in *Sections V.D.4.l.i.-ii.*, *Section V.D.4.l.iv.*, and *Sections V.D.4.l.vi.-viii.* shall apply to HASP directed payments, except as provided in *Section V.D.4.jj.vi.c)*.
  
- l. **Section V.D. Providers, 4. Provider Payments is revised to add the following:**
  - nn. For dates of service on or after October 1, 2024, the PHP shall reimburse in-network providers of substance use disorder (SUD) services at no less than one hundred percent (100%) of the Enhanced Mental Health Medicaid Fee-for-Service Fee Schedule rate, as set by the Department, unless the PHP and provider have mutually agreed to an alternative reimbursement arrangement established on or after October 1, 2024. For any claims that the PHP is required to reprocess to comply with this Section, the PHP shall reprocess the claims and pay, as applicable, any interest and penalties consistent with the requirements of *Section V.H.1.d.iv)*.

### **III. Effective Date**

This Amendment is effective August 1, 2024, unless otherwise explicitly stated herein, subject to approval by CMS.

**IV. Other Requirements**

Unless expressly amended herein, all other terms and conditions of the Contract, as previously amended, shall remain in full force and effect.

**Execution:**

By signing below, the Parties execute this Amendment in their official capacities and agree to the amended terms and conditions outlined herein as of the Effective Date.

**Department of Health and Human Services**

\_\_\_\_\_  
Jay Ludlam, Deputy Secretary  
NC Medicaid

Date: \_\_\_\_\_

**PHP Name**

\_\_\_\_\_  
**PHP Authorized Signature**

Date: \_\_\_\_\_