

Amendment Number 28 (29)
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 revise and restate Healthcare Access and Stabilization Program (HASP) requirements regarding payments during State Fiscal Year 2026 in the Revised and Restated Request for Proposal #30-190029-DHB.

The Parties agree as follows:

I. Modifications to Section V. Scope of Services

Section V. D. Providers, 4. Provider Payments, jj. Healthcare Access and Stabilization Program (HASP) is revised and restated in its entirety as follows:

- jj. Healthcare Access and Stabilization Program (HASP)**
 - i. NCGS § 108A-148.1 requires the Department to submit an annual 42 C.F.R. § 438.6(c) Preprint for the Healthcare Access and Stabilization Program (HASP) for approval by CMS. Under HASP, eligible hospitals will receive payments from the PHP up to the average commercial rate (ACR) for all inpatient and outpatient hospital services, as specified in this Section and approved by CMS. All requirements in this Section are contingent on approval of the HASP preprint for the applicable time period by CMS and subject to change by the Department based on direction from CMS.
 - ii. All requirements in this Section apply to payments for services incurred during State Fiscal Year (SFY) 2023, SFY2024, SFY2025, or SFY 2026, as applicable.
 - 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 and SFY 2026:

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.

iv. All inpatient and outpatient hospital services are eligible for HASP payments.

v. The PHP shall make interim and final HASP payments based on a uniform percentage increase. The Department will calculate a uniform percentage separately for each hospital class and separately for inpatient and outpatient hospital services based on the methodology described in the directed payment preprint approved by CMS.

vi. HASP payments will first be issued to the PHP on an interim basis for inpatient and outpatient services based on Medicaid Managed Care encounter data for a specified time period and measured as of a date specified by the Department and consistent with preprint approved by CMS.

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, SFY 2025, or SFY 2026 encounter data, as applicable based on the current SFY, for each hospital and PHP.

- b) The Department will disburse to the PHP an amount equal to the total interim payments due to network hospitals (network status is based upon date of service) plus premium tax as calculated pursuant to NCGS § 105-228.5 and NCGS § 58-6-25(b).
- 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.I.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.I.viii.*, will not apply.

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, SFY 2025, or SFY 2026 rate year, as applicable based on the rate year that ended.

- a) The Department will calculate HASP reconciliation amounts 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, SFY 2025, or SFY 2026 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.vi.a*).1.
- 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:
 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.I.viii.*
 2. If recoupment is needed based on the reconciliation calculation by the Department, the PHP shall issue a notice of recoupment of the HASP payment reconciliation amounts to the eligible hospitals according to hospital-specific amounts calculated by the Department within the time frames defined in *Section V.H.1.f.*

viii. As necessary, the Department will reduce the amount of HASP directed payments to the lowest amount necessary to ensure that aggregate hospital assessments authorized under Article 7B of Chapter 108A of the North Carolina General Statutes do not exceed federal

limits established under 42 C.F.R. § 433.68(f).

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.*).

II. Effective Date

This Amendment is effective July 1, 2025, unless otherwise explicitly stated herein, subject to approval by CMS.

III. Other Requirements

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

IV. 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, Division of Health Benefits

Jay Ludlam, Deputy Secretary
NC Medicaid

Date: _____

Plan Name

Plan Signature Authority

Date: _____