



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

ROY COOPER • Governor

MANDY COHEN, MD, MPH • Secretary

DAVE RICHARD • Deputy Secretary, NC Medicaid

MEMORANDUM

TO: Mandy Cohen, MD, MPH
Secretary

FROM: Dave Richard
Deputy Secretary for NC Medicaid

DS
DR

SUBJECT: State Plan Amendment
Title XIX, Social Security Act
Transmittal #2021-0007

DATE: March 30, 2021

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 Attachment 4.19-B, Section 5, Page 2.

North Carolina Session Law 2020-88, Section 13(a) and (b) requires NC DHHS to (a) submit a State Plan Amendment to redefine the current aggregate payment limit for Physician UPL payments to UNC and ECU Physician Practice Plans and (b) to impose the new limit definition across Medicaid Fee-for-Service and Managed Care delivery systems.

The SPA changes the aggregate payment limit from one based on a count of specific NPIs to an aggregate dollar limit based on SFY 2018-2019 year trended forward for inflation and any volume adjustment approved by the General Assembly.

The SPA specifically will apply to the current Physician Upper Payment Limit (UPL) program for eligible medical professionals of UNC Health Care and East Carolina University Physicians.

This amendment is effective July 1, 2021.

Your approval of this state plan amendment is requested. If you have any questions or concerns, please contact me or Betty J. Staton at 919-527-7093.

NC MEDICAID

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH BENEFITS

LOCATION: 1985 Umstead Drive, Kirby Building, Raleigh NC 27603
MAILING ADDRESS: 2501 Mail Service Center, Raleigh NC 27699-2501
www.ncdhhs.gov • TEL: 919-855-4100 • FAX: 919-733-6608

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

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. 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"), identified in subparagraphs (a) and (b) below. 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.

a.) \$22,757,962 for East Carolina University (ECU) Brody School of Medicine.

b.) \$79,437,985 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.