

1 10A NCAC 22F .0602 is readopted with changes as published in 32:13 NCR 1258–1268 as follows:

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3 **10A NCAC 22F .0602 ADMINISTRATIVE SANCTIONS AND REMEDIAL MEASURES**

4 (a) The following types of sanctions or remedial measures may be ~~imposed~~ imposed, singly or in combination, by the  
5 Division Medicaid Agency in instances of program abuse by providers, ~~providers,~~ which do not have to be imposed in  
6 any particular order:

7 (1) ~~warning~~ Warning letters for ~~those~~ instances of abuse that can be ~~satisfactorily~~ settled by issuing a  
8 warning to cease the specific abuse. The letter ~~shall will~~ state that any further violations ~~shall will~~  
9 result in administrative or legal action initiated by the Division Medicaid Agency.

10 (2) ~~suspension~~ Suspension of a provider from further participation in the Medicaid Program for a  
11 specified period of time, provided ~~that the appropriate~~ findings have been made by the Division and  
12 ~~provided~~ that this action ~~shall does~~ not deprive recipients of access to reasonable service of adequate  
13 quality as set out in 42 C.F.R. 440.230, 440.260, and 455.23, which are adopted and incorporated  
14 by reference with subsequent changes or amendments and available free of charge at  
15 <https://www.ecfr.gov/>; quality.

16 (3) ~~termination~~ Termination of a provider from further participation in the Medicaid Program, provided  
17 ~~that the appropriate~~ findings have been made by the Division and ~~provided~~ that this action ~~shall does~~  
18 not deprive recipients of access to reasonable services of adequate quality as set out in 42 C.F.R.  
19 440.230, 440.260, and 455.23, which are adopted and incorporated by reference with subsequent  
20 changes or amendments and available free of charge at <https://www.ecfr.gov/>; quality.

21 (4) ~~probation~~ Probation whereby a provider's participation is ~~closely~~ monitored for a specified period  
22 of time not to exceed one year. At the termination of the probation period the Division Medicaid  
23 Agency shall will conduct a follow-up review of the provider's Medicaid practice to ensure  
24 compliance with all applicable laws, regulations, and conditions of participation in Medicaid, the  
25 Medicaid rules. ~~Notwithstanding his probation, a probationary provider's participation, like that of~~  
26 ~~all providers, is terminable at will.~~

27 (5) Remedial Measures may include, but are not limited to: ~~to include:~~

28 (A) placing the provider on prepayment review in accordance with G.S. 108C-7; "flag" status  
29 whereby his claims are remanded for manual review; or

30 ~~(6)~~ (B) establishing a monitoring program not to exceed one year whereby the provider ~~shall must~~  
31 comply with pre-established conditions of participation to allow review and evaluation of  
32 the provider's Medicaid claims, his Medicaid practice, i.e., quality of care.

33 (b) The following factors are illustrative of those to be considered in determining the kind and extent of administrative  
34 sanctions to be imposed:

- 35 (1) seriousness of the offense;  
36 (2) extent of violations found;  
37 (3) history of ~~or~~ prior violations;

- 1 (4) prior imposition of sanctions;
- 2 (5) ~~period~~ length of time provider practiced violations;
- 3 (6) provider willingness to obey program rules;
- 4 (7) recommendations by the investigative staff or Peer Review Committees; and
- 5 (8) effect on health care delivery in the area.

6 When a provider has been administratively sanctioned, the Division shall notify the licensing board or other certifying  
7 group governing the sanctioned provider, appropriate professional society, board of licensure, State Attorney General's  
8 ~~Office,~~ federal and state agencies, and appropriate county departments of social services of the findings made and the  
9 sanctions imposed.

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11 *History Note:* Authority G.S. 108A-25(b); 108C-5; 108C-7; 42 C.F.R. 440.230; 42 C.F.R. 440.260; 42 C.F.R. Part  
12 431; 42 C.F.R. Part 455; 42 C.F.R. 455.23;  
13 *Eff. May 1, 1984;*  
14 *Amended Eff. December 1, 1995; May 1, 1990; 1990.*  
15 *Readopted Eff. July 1, 2018.*

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