

1 10A NCAC 22F .0602 is proposed for readoption with substantive changes 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 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 the
32 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-7; 42 C.F.R. 440.230; 42 C.F.R. 440.260; 42 C.F.R. Part 431; 42~~*
12 *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. May 1, 2018.*

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