

# North Carolina Medicaid Special Bulletin



An Information Service of the

Division of Medical Assistance

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**April 2015**

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**Attention:**

**Providers Who Bill for Physician Services**

## **Session Law 2013-360 3% Physician Services Rate Reduction Claims Reprocessing Update**

*Providers are responsible for informing their billing agency of information in this bulletin.*

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## BACKGROUND

- North Carolina Session Law [2013-360](#), subsequently modified by Session Law [2014-100](#), required a 3% rate reduction in 10 Medicaid and N.C. Health Choice services.
- However, due to the Affordable Care Act (ACA), physician services providers were subject to the following effective dates:
  - Jan. 1, 2014, for all physician services except those billed by providers receiving ACA enhanced payments
  - Jan. 1, 2015, for providers receiving ACA enhanced payments
- The 3% rate reduction for physician services was implemented March 1, 2015, for current claims and going forward.

## EFFECTIVE DATES

Providers Who:	Session Law 2013-360 Effective Date	3% Repayment Period
<b>ATTESTED for ACA-enhanced Payments in SFY 2013/2014 (by June 30, 2014)</b>	<b>Jan. 1, 2015</b>	<b>Jan. 1, 2015 to March 1, 2015</b>
<b>DID NOT ATTEST for ACA-enhanced Payments</b>	<b>Jan. 1, 2014</b>	<b>Jan. 1, 2014 to March 1, 2015</b>

**Providers who attested for ACA-enhanced payments after June 30, 2014, deadline:** The 3% repayment period will include services from Jan. 1, 2014, until the attestation date, as well as Jan. 1 to March 1, 2015.

## CLAIMS REPROCESSING PERIOD

Claims reprocessing will take place over multiple checkwrites due to claim volume. The claims reprocessing period will begin the week of April 20. The repayments will:

- Begin with the checkwrite of Tuesday, April 28, 2015
- End with the checkwrite of Tuesday, June 23, 2015 (final checkwrite of the fiscal year)

For any given provider, claims may be reprocessed over more than one checkwrite.

**Hardship Requests.** To assist those providers who may experience a financial burden, hardship requests are available and will be evaluated individually. To request a hardship evaluation, send your name, NPI and contact information to [NCTracksHardship@dhhs.nc.gov](mailto:NCTracksHardship@dhhs.nc.gov).

## OVERVIEW OF CLAIMS TO BE REPROCESSED

- **81% of providers will have a repayment less than \$1,000**
- Out of 28,926 providers:
  - 23,514 will have a repayment less than \$1,000
  - 435 will have a repayment greater than \$5,000 but less \$10,000
  - 141 will have a repayment of \$10,000 or more
- Lowest repayment: Less than \$1
- Highest repayment: \$81,494
- Total number of claims to be reprocessed: 7,309,890
- Total dollar amount of claims to be reprocessed: \$20,463,445

### **Non-ACA attested providers (Jan. 2014-Feb. 2015)**

Physicians: 15,198      Average repayment: \$1,092.04

Non-Physicians: 6,377      Average repayment: \$ 337.32

**Total affected: 21,575      Average repayment: \$ 868.96**

### **ACA attested providers (Jan. 2015-Feb. 2015)**

Physicians: 6,759      Average repayment: \$240.27

Non-Physicians: 592      Average repayment: \$154.66

**Total affected: 7,351      Average repayment: \$233.38**

**What You Need to Do.** No action is required at this time.

### **Additional Information**

Medicaid Special Bulletins [Jan. 2014](#) and [Feb. 20, 2015](#)

North Carolina Session Laws [2013-360](#) and [2014-100](#)

DMA Provider Services: 919-855-4050

**Questions & Answers**  
**Session Law 2013-360**  
**3% Physician Services Rate Reduction**  
**Implementation and Claims Reprocessing**

*How long will the repayment process take?*

Repayments will begin with the April 28, 2015, checkwrite and will be completed by the last checkwrite (June 23, 2015) of the state fiscal year.

*What order will claims be reprocessed?*

Claims will be reprocessed in the order in which they were received. Reprocessing will begin the week of April 20 and may be seen in the NCTracks provider portal.

*What if the repayment amount is more than the checkwrite? Will repayment amounts be spread over more than one checkwrite?*

Each claims processing batch will be reviewed and repayments for any given provider may occur over more than one checkwrite. In these cases, an accounts receivable will be created and reflected on the Remittance Advice.

*Can providers pay the amount they owe prior to the reprocessing date?*

No. Sending a check will eliminate the audit trail and the claims history. A recoup/repay will ensure an audit trail and claims history.

*Will a hardship plan be available? If so, what is the process?*

DMA Finance has a procedure to process requests for hardships. They are handled on an individual basis and can be requested at [NCTracksHardship@dhhs.nc.gov](mailto:NCTracksHardship@dhhs.nc.gov).

*Why are the 3% rate reduction and claims reprocessing happening so long after the legislation was effective?*

North Carolina Session Law [2013-360](#), subsequently modified by Session Law [2014-100](#), instructed DMA to reduce rates for 10 Medicaid and N.C. Health Choice services. Most were implemented effective Jan. 1, 2014.

The session law specified that providers who attested for enhanced payments under the Affordable Care Act (ACA) were exempt from the 3% rate reduction until January 1, 2015. This made implementing the 3% rate reduction for physician services a complex process that required additional programming.

To reprocess rates, this additional programming was needed to accurately process thousands of procedure codes for thousands of providers, while also accounting for two separate fee schedules, which were required to separate ACA-attested providers from the overall group.

NCTracks began processing the rate reduction March 1, 2015, for current claims and going forward.

*Will providers receive amended 1099s due to the claim reprocessing?*

No. Providers will not receive amended 1099s. This activity will be reported in the current year 1099.

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