



STATE OF NORTH CAROLINA
DEPARTMENT OF HEALTH AND HUMAN SERVICES

ROY COOPER
GOVERNOR

MANDY COHEN, MD, MPH
SECRETARY

May 17, 2019

Shantrina Roberts
Associate Regional Administrator
Division of Medicaid
Centers for Medicare and Medicaid Services
Region IV
Atlanta Federal Center
61 Forsyth Street, SW Suite 4T20
Atlanta, GA 30303-8909

SUBJECT: State Plan Amendment
Title XIX, Social Security Act
Transmittal #2019-0003

Dear Ms. Roberts:

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 3, page 1.
This state plan change will allow Medicaid to remove lab service payments for Local Health Departments (LHDs) from cost settlement and reimburse them at the Medicare Fee Schedule amount.


The Cost Settlement is not permitted in Medicaid Managed Care under 42 CFR 438 and the continuation of this settlement value to LHDs could not be readily factored into the proposed Additional Utilization Based Payments, while maintaining them for the limited fee-for-service Medicaid volume.

This amendment is effective July 1, 2019.

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.

Sincerely,

A handwritten signature in blue ink that reads "Mandy T. Cohen".

 Mandy Cohen, MD, MPH
Secretary

Enclosures

MEDICAL ASSISTANCE
State: NORTH CAROLINA

PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICE

3. Laboratory and X-ray Services

X-ray Services

Fees for non-hospital based x-ray (radiological/imaging) services shall be the lower of the submitted charge or the fee schedule. The agency's fee schedule rates were set as of July 1, 2012 and is effective for services provided on or after that date.

Laboratory Services

Fees for independent laboratory services shall be the lower of the submitted charge or the appropriate fee from the fee schedule. The agency's fee schedule rates were set as of July 1, 2012 and is effective for services provided on or after that date. The agency fee schedule rates for state lab facilities were set as of July 1, 2014 equal to 91% of the Medicare Clinical Lab fee schedule and is effective for services provided on or after that date. All rates are published on the DMA website at: <https://medicaid.ncdhhs.gov/providers/fee-schedule/laboratory-fee-schedules>.

Fees for independent laboratory services shall be the lower of the submitted charge or the appropriate fee from the fee schedule in effect on July 1, 2012.

- a. Fees for new services are established at 91% of the Medicare Clinical Lab fee schedule. If there is no Medicare fee available, fees will be based on fees for similar existing services. If there is no Medicare fee or similar services, the fee is based on reasonable cost derived from available industry data until a Medicare fee is established.

The above methodology shall also apply to laboratory services paid to hospital outpatient facilities, physicians, and any provider supplying outpatient laboratory services.

Services reimbursed under the above methodology are not subject to cost settlement. Lab services provided by Local Health Departments are established at 100% of the Medicare Clinical Lab fee schedule.

- b. When clinical laboratories services are provided on behalf of a hospital inpatient or critical access hospital inpatient, payment will be made to the hospital and not to the clinical laboratory.