



STATE OF NORTH CAROLINA  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

ROY COOPER  
GOVERNOR

MANDY COHEN, MD, MPH  
SECRETARY

September 22, 2021

James Scott, Director  
Division of Program Operations  
Department of Health & Human Services  
Centers for Medicare & Medicaid Services  
601 East 12th Street Room 355  
Kansas City, Missouri 64106

SUBJECT: State Plan Amendment  
Title XIX, Social Security Act  
Transmittal #2021-0013

Dear Mr. Scott:

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 pages are Attachment 4.19-B, Sec. 2, Pg. 2b, 2f; Sec. 5, Pg. 3, Sec 6, Pg. 1c, Sec. 9, Pg. 1.2, Sec. 17, Pg. 1, Sec. 25, Pg. 1; Attachment 3.1-B, Pg. 7(a) and Attachment 3.1-F, Pg. 1.

This State Plan Amendment change outlines that North Carolina Medicaid amends the State Plan to sunset the Pregnancy Medical Home (PMH) program. Effective July 1, 2021, the Pregnancy Medical Home will cease to exist and will be replaced by the Pregnancy Management Program. The Pregnancy Management Program is available to all Medicaid maternity providers. There is no requirement for enrollment, but all providers who receive incentives should follow the program requirements set forth in the policy.

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.

Sincerely,

A handwritten signature in black ink that reads "Mandy K. Cohen".

Mandy Cohen, MD, MPH  
Secretary

Enclosures

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**20. DESCRIPTION OF EXTENDED SERVICES TO PREGNANT WOMEN**

Pregnancy related and postpartum services include:

Physician  
Clinic, including rural health and migrant health  
In-patient hospital  
Outpatient hospital  
Prescription drugs

The above services are provided to all Medicaid eligibles. The restrictions specified in ATTACHMENT 3.1-A.1 apply to all eligibles including pregnant women. Services available to pregnant women do not exceed the scope of services available to other eligible individuals or groups.

Pregnancy Management Program:

The Pregnancy Management Program (PMP) is a medical home for pregnant Medicaid beneficiaries that provides case management services to affect positive changes in the delivery of prenatal care and pregnancy outcomes. Additional guidelines for the PMP are specified in Attachment 3.1-F and Attachment 4.19-B.

Qualified providers must:

- be currently enrolled with the N.C. Medicaid Program;
- meet Medicaid's qualifications for participation;
- bill only for procedures, products, and services that are within the scope of their clinical practice, as defined by the appropriate licensing entity; and

PMP providers include:

Individual physicians or physician groups, nurse practitioners, certified nurse midwives, and physician assistants enrolled with Medicaid and practicing in one of the following:

- a. General Medicine/ Family Medicine;
- b. Obstetrics/Gynecology;
- c. Multi-specialty;
- d. Federally Qualified Health Clinics (FQHC);
- e. Rural Health Clinics (RHC); or
- f. Local Health Departments (LHD).

State: North Carolina

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Citation	Condition or Requirement
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1932(a)(1)(A)

A. Section 1932(a)(1)(A) of the Social Security Act. age

The State of North Carolina enrolls Medicaid beneficiaries on a mandatory basis into managed care entities. (managed care organization (MCOs) and/or primary care case managers (PCCMs) in the absence of section 1115 or section 1915(b) waiver authority. This authority is granted under section 1932(a)(1)(A) of the Social Security Act (the Act). Under this authority, a state can amend its Medicaid state plan to require certain categories of Medicaid beneficiaries to enroll in managed care entities and/or primary care case management entities without being out of compliance with provisions of section 1902 of the Act on state wideness (42 CFR 431.50), freedom of choice (42 CFR 431.51) or comparability (42 CFR 440.230). This authority may *not* be used to mandate enrollment in Prepaid Inpatient Health Plans (PIHPs), Prepaid Ambulatory Health Plans (PAHPs), nor can it be used to mandate the enrollment of Medicaid beneficiaries who are Medicare eligible, who are Indians (unless they would be enrolled in certain plans—see D.2.ii. below), or who meet certain categories of “special needs” beneficiaries (see D.2.iii. - vii. below)

B. General Description of the Program and Public Process.

For B.1 and B.2, place a check mark on any or all that apply.

1932(a)(1)(B)(i)  
1932(a)(1)(B)(ii)  
42 CFR 438.50(b)(1)

1. The State will contract with an

- i. MCO
- ii. PCCM (including capitated PCCMs that qualify as PAHPs)
- iii. Both

42 CFR 438.50(b)(2)  
42 CFR 438.50(b)(3)

2. The payment method to the contracting entity will be:

- i. fee for service;
- ii. capitation;
- iii. a case management fee;
- iv. a bonus/incentive payment;
- v. a supplemental payment, or
- vi. other. (Please provide a description below).

Pregnancy Management Program providers are paid an incentive pay for performing an initial prenatal screening using a standardized tool and an incentive payment for a postpartum visit.

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- (B) Provider clinics are paid on the basis of the principles and at the Medicare determined rates specified in the Medicare regulation in Part 405, Subpart D not to exceed the Medicare established limits. For Medicaid only services, the interim rates are based on a Medicaid fee schedule.
- (C) Independent clinics are paid for all core services offered by the clinic at a single cost-reimbursement rate for clinic visit, established by the Medicare carrier, which includes the cost of all core services furnished by the clinic.
- (D) Effective October 1, 1993, physician-provided services at a hospital inpatient or an outpatient location are paid at the existing fee-for-service rate only to those clinics whose agreement with their physician states that the clinic does not compensate the physician for services in a location other than at the rural health clinic location.
- (A) If the Core Service Provider Number has a Change of Ownership, the new provider will be reimbursed under the PPS methodology established in paragraph (3) above.

Enhanced Reimbursement for Pregnancy Management Program Services will be made to RHC providers as specified in Attachment 3.1-B, Page 7(a) and Attachment 3.1-F. The Pregnancy Management Program will be paid these enhanced payments in addition to their regular reimbursement.

Two enhanced payments may be made to RHCs for services provided by a Pregnancy Management Program. Upon completion of the high-risk screening, an enhanced payment of \$50.00 will be made to the PMP. Upon completion of the recipient's post-partum visit, an enhanced payment of \$150.00 will be made to the PMP provider. The PMP provider will receive a maximum of \$200 enhanced payments per recipient per pregnancy even if there are multiple births.

Additionally, the PMP provider receives an enhanced rate for a vaginal delivery by paying the same rate for the vaginal delivery as for an uncomplicated c-section. Only the physician rates for the delivery codes are enhanced. The enhanced rates were determined by applying a 13.2% increase to the NC Medicaid Physician Fee Schedule rate as established in Attachment 4.19-B Section 5, Page 1 of the State Plan.

There shall be no cost settlement for any provider in any setting for these services reimbursed at the enhanced rates.

Notwithstanding any other provision, if specified, these rates will be adjusted as shown on Attachment 4.19-B, Supplement 3, Page 1 of the State Plan.

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Alternative Payments

Enhanced Payments for Pregnancy Management Program Services will be made to FQHC providers as specified in Attachment 3.1-B, Page 7(a) and Attachment 3.1-F. The Pregnancy Management Program will be paid these enhanced payments in addition to their regular reimbursement.

- (5) Two enhanced payments may be made to FQHCs for services provided by a Pregnancy Management Program. Upon completion of the high-risk screening, an enhanced payment of \$50.00 will be made to the PMP. Upon completion of the recipient's post-partum visit, an enhanced payment of \$150.00 will be made to the PMP provider. The PMP provider will receive a maximum of \$200 enhanced payments per recipient per pregnancy even if there are multiple births.

Additionally, the PMP provider receives an enhanced rate for a vaginal delivery by paying the same rate for the vaginal delivery as for an uncomplicated c-section. Only the physician rates for the delivery codes are enhanced. The enhanced rates were determined by applying a 13.2% increase to the NC Medicaid Physician Fee Schedule rate as established in Attachment 4.19-B Section 5, Page 1 of the State Plan.

There shall be no cost settlement for any provider in any setting for these services reimbursed at the enhanced rates.

Notwithstanding any other provision, if specified, these rates will be adjusted as shown on Attachment 4.19-B, Supplement 3, Page 1 of the State Plan.

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Enhanced Payments for Pregnancy Management Program Services

This service will be provided by a Pregnancy Management Program (PMP) provider (as specified in Attachment 3.1-B, Page 7(a) and Attachment 3.1-F) enrolled in Medicaid who may be either private or governmental.

Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private PMP providers. The PMP fee schedule rates were set as of March 1, 2011 and are effective for services provided on or after that date. The fee schedule is published on the agency's website at <https://medicaid.ncdhhs.gov/providers/fee-schedules>

Two enhanced payments may be made to the PMP providers. Upon completion of the high-risk screening, an enhanced payment of \$50.00 will be made to the PMP. Upon completion of the recipient's post-partum visit, an enhanced payment of \$150.00 will be made to the PMP provider. The PMP providers will receive a maximum of \$200 enhanced payments per recipient per pregnancy even if there are multiple births.

PMP providers receive an enhanced rate for a vaginal delivery by paying the same rate for the vaginal delivery as for an uncomplicated c-section. Only the physician rates for ante partum codes, delivery codes and post-partum codes are enhanced. The enhanced rates were determined by applying a 13.2% increase to the NC Medicaid Physician Fee Schedule rate as established in Attachment 4.19-B Section 5, Page 1 of the State Plan.

There shall be no cost settlement for any provider in any setting for these services reimbursed at the enhanced rates.

Notwithstanding any other provision, if specified, these rates will be adjusted as shown on Attachment 4.19-B, Supplement 3, Page 1 of the State Plan.

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Medical care and any other type of remedial care recognized under State law, furnished by licensed practitioners within the scope of their practice as defined by State law:

Chiropractic Services, Podiatry Services, Optometry Services, Nurse Practitioner Services, Independent Practitioner Services and Other Licensed Practitioner Services.

**d. Nurse Practitioner Services:**

Payments for Nurse Practitioner Services covered under Attachment 3.1-A.1 are equal to the lower of the submitted charge or the appropriate fee from the North Carolina Medicaid Nurse Practitioner Services Fee Schedule. The agency's rates were set as of January 1, 2014 and are effective on or after that date. All rates are published on the website at <https://medicaid.ncdhhs.gov/providers/fee-schedule/nurse-practitioner-fee-schedule>. Except as otherwise noted in the plan, State developed fee schedule rates are the same for both governmental and private providers.

- (1) Effective January 1, 2014, rates for new Nurse Practitioner Services shall be reimbursed at 100 percent of the North Carolina Medicaid Physician Services Fee Schedule in effect at the time the service is established.
- (2) Enhanced Payments for Pregnancy Management Program Services will be made to licensed nurse practitioners for services provided by a Pregnancy Management Program provider as specified in Attachment 3.1-B, Page 7(a) and Attachment 3.1-F. Reimbursement will be as described in Attachment 4.19-B Section 5, Page 4 of the State Plan. There shall be no cost settlement for any provider in any setting for these services reimbursed at the enhanced rates
- (3) Effective January 1, 2019, all Evaluation and Management codes ranging from 99201 to 99499 and any new codes established within that range as defined in Section 1202 of the Affordable Care Act (ACA) and paid to Nurse Practitioners shall be reimbursed based on the Medicare Resource-Based Relative Value Scale (RBRVS) physician fee schedule (PFS) in effect as of January 01, 2018. In addition to the ACA primary care practitioners, Obstetricians and Gynecologists shall also be included as primary care Physicians. Reimbursement shall be based on the following methodology:

The Nurse practitioner Medicaid Facility rate is set at 85 percent of the Medicare Physician Facility rate.

The Nurse practitioner Medicaid Non-Facility rate is set at 85 percent of the Medicare Physician Non-Facility rate.

Exceptions: Effective April 1, 2020, and thereafter, Nurse practitioners' services for Evaluation and Management codes will be set at 1 percent above the Medicaid Nurse practitioner rates if the calculated rate is less than or equal to the Medicaid Physician Fee Schedule rate.

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TN. No. 21.0013

Approval Date: \_\_\_\_\_

Eff. Date: 7/1/2021

Supersedes

TN. No. 20-0007

MEDICAL ASSISTANCE  
State: NORTH CAROLINA

PAYMENT FOR MEDICAL AND REMEDIAL CARE AND SERVICES

Notwithstanding Attachment 4.19-B, Section 5, Page 3, services for ante partum codes, delivery codes and post-partum codes which are billed by Health Departments for physicians, nurse midwives, and nurse practitioners who are salaried employees of a Health Department and whose compensation is included in the service cost of a Health Department when the Health Department is a Pregnancy Management Program (PMP) as described in Attachment 3.1-B, Page 7(a) and Attachment 3.1-F shall be settled to cost in accordance with the provisions of this Section.

This cost methodology does not apply to the reimbursement for services furnished to Medicaid recipients for Laboratory Services. These services are reimbursed fee-for-service only and Health Department costs for these services shall be excluded from cost settlement.

A. Direct Medical Services Payment Methodology:

The annual cost settlement methodology will consist of a CMS approved cost report, actual time report and reconciliation. If Medicaid payments exceed Medicaid-allowable costs, the excess will be recouped and the Federal share will be returned on the CMS-64 report.

To determine the Medicaid-allowable direct and indirect costs of providing direct medical services to Medicaid recipients receiving Clinic, Family Planning and Family Planning Waiver services in the Health Department the following steps are performed:

- (1) Direct costs for medical service include payroll costs and other costs that can be directly charged to direct medical services. Direct payroll costs include total compensation of direct services of personnel providing direct medical services.

Other direct costs include non-personnel costs directly related to the delivery of medical services, such as purchased services, capital outlay, materials and supplies. These direct costs are accumulated on the annual cost report, resulting in total direct costs.

- (2) Total direct costs for direct medical services from Item A 1 above are reduced on the cost report by any restricted public health service grant payments as defined in CMS Publication 15-1 resulting in adjusted direct costs for direct medical services.

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State Plan Under Title XIX of the Social Security Act  
Medical Assistance  
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17. A. Nurse-Midwife Services.

Payments for Nurse-Midwife Services covered under Attachment 3.1-A.1 are equal to the lower of the submitted charge or the appropriate fee from the North Carolina Medicaid Nurse-Midwife Services Fee Schedule.

The agency's rates were set as of January 1, 2014 and are effective on or after that date. All rates are published on the website at <https://medicaid.ncdhhs.gov/providers/fee-schedules>. Except as otherwise noted in the plan, State developed fee schedule rates are the same for both governmental and private providers.

Effective January 1, 2014, rates for new Nurse-Midwife Services rates shall be set at 98% percent of North Carolinas' Medicaid Physician Services Fee Schedule.

Enhanced Payments for Pregnancy Management Program Services will be made to licensed nurse midwives for services provided by a Pregnancy Management Program provider as specified in Attachment 3.1-B, Page 7(a) and Attachment 3.1-F. Reimbursement will be as described in Attachment 4.19-B Section 5, Page 4 of the State Plan. There shall be no cost settlement for any provider in any setting for these services reimbursed at the enhanced rates.

