


NC DEPARTMENT OF
**HEALTH AND
HUMAN SERVICES**
Division of Health Benefits

JOSH STEIN • Governor

DEV DUTTA SANGVAI • Secretary

JAY LUDLAM • Deputy Secretary, NC Medicaid

SIGNATURE REQUEST MEMORANDUM

TO: Jay Ludlam 

FROM: Ashley Blango, SPA Manager

RE: State Plan Amendment

Title XIX, Social Security Act
Transmittal #2025-0016

Purpose

Attached for your review and signature is a Medicaid State Plan Amendment (**Supplemental Payments**) summarized below, and submitted on June 25, 2025, with a due date of July 2, 2025.

Clearance

This amendment has been reviewed for both accuracy and completeness by:

Ashley Blango, Kathryn Horneffer, Lotta Crabtree, Adam Levinson, Melanie Bush

Background and Summary of Request

It is recommended that you sign this State Plan Amendment submission per Centers for Medicare and Medicaid Services (CMS) protocol as head of the Single State Agency administering the Medicaid program.

The purpose of the revisions to the State Plan Amendment is to revise the annual cap for supplemental directed payments for University of North Carolina at Chapel Hill faculty physicians and East Carolina University Brody School of Medicine health physicians.

The proposed effective date for the SPA is July 1, 2025.

Your approval of this State Plan Amendment is requested. If you have any questions or concerns, please contact me at 919-812-6145.

NC MEDICAID

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES • DIVISION OF HEALTH BENEFITS

MEDICAL ASSISTANCE
State: NORTH CAROLINA
PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

(c) Supplemental Payments

- (1) Supplemental payments will be made to Eligible Medical Professional Providers. These supplemental payments will equal the difference between the Medicaid payments otherwise made under this state plan and the Average Commercial Rate Payment. These supplemental payments will, for the same dates of service, be reduced by any other supplemental payments for professional services found elsewhere in the state plan.
- (2) Eligible Medical Professional Providers must meet all of the following requirements. An Eligible Medical Professional Providers must be:

(i) Physicians paid under this Section 5, and other professionals paid under Section 6a-d or Section 17 of this Attachment; and

(ii) Licensed in the State of North Carolina and eligible to enroll in the North Carolina Medicaid program as a service provider; and

(iii) Employed by, contracted to provide a substantial amount of teaching services, or locum tenens of the state-operated school of medicine (SOM) at East Carolina University or the University of North Carolina at Chapel Hill, or employed or locum tenens within the University of North Carolina Health Care System or ECU Health Physicians. A professional "contracted to provide a substantial amount of teaching services" is a professional where all or substantially all of the clinical services provided to patients by that contracted professional involves supervision and/or teaching of medical students, residents, or fellows.

Except for professional providers in a Hospital-Based Group Practice, Eligible Medical Professional Providers shall exclude any professional provider that is a member of a group practice acquired or assimilated by the UNC HCS after July 1, 2010. A Hospital-Based Group Practice includes professional providers with the following hospital-based specialties: anesthesiology, radiology, pathology, neonatology, emergency medicine, hospitalists, radiation-oncology, and intensivists. Effective April 1, 2019, all UPL calculations for services rendered during SFY 2019 and after shall not be subject to the restrictions in this paragraph for those practices in those counties designated as rural counties as of January 2018 as listed on the North Carolina Department of Health and Human Services Office of Rural Health, Health Statistics and Data website.

(iv) Effective for services beginning July 1, 2021, the total annual supplemental payments made under this section shall not exceed one hundred percent (100%) of the gross supplemental payments for services provided by eligible medical providers for payments pertaining to the 2018-2019 state fiscal year ("Base Year"). These aggregate Base Year payment limits will be trended forward to each July 1 by the Medicare Economic Index most recently published in the Federal Register and any volume adjustment approved by the North Carolina General Assembly. For services beginning July 1, 2025, these payment limits are as follows:

- a.) \$2,152,056 for ECU Health, which includes East Carolina University (ECU) Brody School of Medicine and ECU Health Physicians.
- b.) \$13,097,626 for UNC Health Care, which includes the University of North Carolina at Chapel Hill (UNC) Faculty Physicians, the UNC Hospitals' Pediatric Clinic, UNC Physicians Network, and Chatham Hospital.

(v) Effective July 1, 2014, supplemental payments under this section shall not be made for services provided in Wake County.

- (3) Supplemental payments will be made quarterly and will not be made prior to the delivery of services.