



MEMORANDUM

TO: DHB Management & State Plan E-mail Subscribers

FROM: Betty J. Staton, State Plan Amendments Manager

SUBJECT: Update to State Plan for Health Benefits (305)

DATE: July 22, 2021

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The following changes were made in the NC Medicaid State Plan Manual. You may view the Plan on DHB's website at <https://medicaid.ncdhhs.gov/meetings-and-notices/medicaid-state-plan-public-notices>.

SPA 21-0002 (Personal Care Services - EVV): This state plan change increases Medicaid Personal Care Services rates. In adherence to Medicaid Clinical policy for Electronic Visit Verification (EVV), as of January 1, 2021, payment for Personal Care Services (PCS) reimbursement shall be increased by ten percent (10%) above the rate in effect. This increase is intended to assist PCS providers with the added costs associated with the implementation of the federally required EVV system.

OLD PAGE(S): Attachment 4.19-B, Section 23, Page 6

NEW PAGE(S): Attachment 4.19-B, Section 23, Pages 6

SPA 21-0004 (Inpatient Hospital Services): This state plan change revises inpatient payment methodology for Medical and Remedial Care and Services. Revision to methodology includes incorporating enhanced Base Rates for inpatient claims reimbursement, Graduate Medical Education (GME) payment methodology, and Disproportionate Share Hospital (DSH) payments for managed care.

OLD PAGE(S): Attachment 4.19-A, Pages 1-4, 4a-4e (New), 5-6, 8.1 (New), 9-13, 13b-13c, 14-19, 19c-19i, 20-22

NEW PAGE(S): Attachment 4.19-A, Pages 1-4, 4a-4e, 5-6, 8.1, 9-13, 13b-13c, 14-19, 19c-19i, 20-22

NC MEDICAID

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SPA 21-0005 (Outpatient Hospital Services): This state plan change revises the methodology for calculating hospital specific Medicaid ratio of costs to charges (RCCs) in preparation for the North Carolina Medicaid Transformation to Managed Care. The amendment will discontinue hospital outpatient supplemental payments, increase hospital RCCs, and define how to establish hospital RCC's for new hospitals and changes of ownership.

OLD PAGE(S): Attachment 4.19-B, Section 2, Pages 1, 1a – 1e

NEW PAGE(S): Attachment 4.19-B, Section 2, Pages 1, 1a – 1e

SPA 21-0007 (Physician Services UPL): This state plan changes the aggregate payment limit from one based on a count of specific NPIs to an aggregate dollar limit based on SFY 2018-2019 year trended forward for inflation and any volume adjustment approved by the General Assembly. The SPA specifically applies to the current Physician Upper Payment Limit (UPL) program for eligible medical professionals of UNC Health Care and East Carolina University Physicians.

OLD PAGE(S): Attachment 4.19-B, Section 5, Page 2

NEW PAGE(S): Attachment 4.19-B, Section 5, Page 2

SPA 21-0008 (Supplemental Rebate Collection): This state plan change outlines that North Carolina Medicaid permits the inclusion of Medicaid MCO drug utilization in the invoicing of State Supplemental Drug Rebates. Participating Medicaid MCOs are eligible for National Rebates under 42 U.S.C. § 1396r-8 and each participating Medicaid MCO will align their respective formulary and/or preferred drug list, assuring access to preferred Supplemental Covered Products.

OLD PAGE(S): Attachment 3.1-A.1, Page 14c

NEW PAGE(S): Attachment 3.1-A.1, Page 14c

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