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State/Territory Name: North Carolina

State Plan Amendment (SPA) #: 18-0012

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
61 Forsyth Street S.W. Suite 4T20
Atlanta, Georgia 30303



Atlanta Regional Operations Group

June 4, 2019

Mr. Dave Richard, Deputy Secretary
Division of Medical Assistance
North Carolina Department of Health and Human Services
2501 Mail Service Center
Raleigh, North Carolina 27699-2501

Dear Mr. Richard:

We have reviewed the proposed amendment to the North Carolina Medicaid State Plan (SPA) NC 18-0012 that was submitted on March 13, 2019. This State Plan Amendment was submitted for the purpose of increasing the reimbursement rate for Evaluation and Management codes, as defined in Section 1202 of the Affordable Care Act (ACA) and paid to primary care Physicians, Nurse Practitioners and Physicians' Assistants, as defined in the ACA. In addition to the ACA primary care practitioners, Obstetrician and Gynecologists shall also be included as a primary physician.

Based on the information provided, we are now ready to approve Medicaid State Plan Amendment NC 18-0012. This SPA was approved on June 4, 2019. The effective date of this amendment is January 1, 2019. We are enclosing the signed paper-based HCFA 179 and the approved plan pages.

Should you have questions or need further assistance, please contact Donald Graves at 919-828-2999.

Sincerely,

/s/

Shantrina D. Roberts, MSN
Deputy Director
Division of Medicaid Field Operations South

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL	1. TRANSMITTAL NUMBER: 18-0012	2. STATE NC
FOR: HEALTH CARE FINANCING ADMINISTRATION	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE January 1, 2019	

5. TYPE OF PLAN MATERIAL (*Check One*):

- NEW STATE PLAN
 AMENDMENT TO BE CONSIDERED AS NEW PLAN
 AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (*Separate Transmittal for each amendment*)

6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 447.400; 42 CFR 447.415	7. FEDERAL BUDGET IMPACT: a. FFY 2019 \$67,800,461 b. FFY 2020 \$90,225,628
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B, Section 5, pages 1, 1a -1f Attachment 4.19-B, Section 6, page 1c Attachment 4.19-B, Supplement 3, page 1k	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (<i>If Applicable</i>): Attachment 4.19-B, Section 5, pages 1, 1a -1f Attachment 4.19-B, Section 6, page 1c Attachment 4.19-B, Supplement 3, page 1k

10. SUBJECT OF AMENDMENT:

E & M codes Rate Increase

11. GOVERNOR'S REVIEW (*Check One*):

GOVERNOR'S OFFICE REPORTED NO COMMENT
 OTHER, AS SPECIFIED: Secretary

COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL: /s/	16. RETURN TO: Office of the Secretary Department of Health and Human Services 2001 Mail Service Center Raleigh, NC 27699-20014
13. TYPED NAME: Mandy Cohen, MD, MPH	
14. TITLE: Secretary	
15. DATE SUBMITTED:	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: 03/13/19	18. DATE APPROVED: 06/04/19
PLAN APPROVED – ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: 01/01/19	20. SIGNATURE OF REGIONAL OFFICIAL: /s/
21. TYPED NAME: Shantrina D. Roberts	22. TITLE: Deputy Director Division of Medicaid Field Operations South

23. REMARKS:

State Plan Under Title XIX of the Social Security Act
Medical Assistance Program
State: North Carolina

PHYSICIAN'S FEE SCHEDULE

- (a) Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of Physician Services. The agency's fee schedule rates were set as of January 1, 2014 and are effective for services provided on or after that date. All rates are published on the agency's website at <https://medicaid.ncdhhs.gov/providers/fee-schedule/physician-services-fee-schedule>.
- (b) Physicians' services whether furnished in the office, the patient's home, a hospital, a nursing facility or elsewhere, shall be reimbursed based on the North Carolina Medicaid Physician Services Fee Schedule which is based on 86 percent of the Medicare Resource-Based Relative Value Scale (RBRVS) physician fee schedule (PFS) in effect January 1 of the year in which the service was initially established, but with the following clarifications and modifications:
- (1) A maximum fee is established for each service and is applicable to all specialties and settings in which the service is rendered. Payment is equal to the lower of the maximum fee or the provider's customary charge to the general public for the particular service rendered.
 - (2) Rates for services deemed to be associated with adequacy of access to health care services may be adjusted based on administrative review. The service must be essential to the health needs of the Medicaid recipients, no other comparable treatment available and a rate adjustment must be necessary to maintain physician participation within the geographic area at a level adequate to meet the needs of Medicaid recipients and for which no other provider is available.
 - (3) Fees for new services are established based on this Rule, utilizing the most current Medicare RBRVS physician fee schedule, if applicable. If there is no relative value unit (RVU) available from Medicare, fees shall be established based on the fees for similar services. If there is no RVU or similar service, the fee shall be set at the average rate obtained from surrounding states.
 - (4) Effective January 1, 2019, all Evaluation and Management codes ranging from 99201 to 99499 and new codes established within that range as defined in Section 1202 of the Affordable Care Act (ACA) and paid to primary care Physicians 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 methodologies:

The Medicaid Physician Non-Facility rate shall be set at 100 percent of the Medicare Physician Non-Facility rate.

The Medicaid Physician Facility rate shall be set at 100 percent of the Medicare Physician Facility rate when the Medicare Physician Facility rate and the Medicare Physician Non-Facility rate are different.

The Medicaid Physician Facility rate will be based on 90 percent of the Medicare Physician Non-Facility rate when both facility and non-facility rates are the same.

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(c) Administration of Vaccinations whether furnished in the office, the patient's home, a hospital, a nursing facility or elsewhere, or billed under Physician, Nurse Practitioner, Physician Assistant, shall be reimbursed based on the North Carolina Medicaid Fee Schedule. The fee for the Administration of Vaccinations is based on the CMS regional maximum, not to exceed the Medicare established cap.

Administration of Vaccinations is not subject to cost settlement when reimbursement on the North Carolina Medicaid Fee Schedule is equal to the CMS regional maximum cap.

Increased Primary Care Service Payment 42 CFR 447.405, 447.410, 447.415

Enhanced Affordable Care Act (ACA) Payments for Primary Care Services as defined in section 1202 with dates of service effective January 1, 2013 – December 31, 2014 will be reimbursed at no less than the Medicare Cost Share rates in effect January 1, 2013 – December 31, 2014 or, if greater, the Medicare Resource-Based Relative Value Scale (RBRVS) physician fee schedule (PFS) in effect as of July 1, 2009.

TN. No. 18-0012
Supersedes
TN. No. 13-001

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State Plan Under Title XIX of the Social Security Act
Medical Assistance Program
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PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

Physician Assistant Services:

Payments for Physician Assistant 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 Physician Assistant Services Fee Schedule. The agency's rates were set as of January 01, 2014 and are effective on or after that date. All rates are published on the website at <https://medicaid.ncdhhs.gov/providers/fee-schedule/physician-assistant-fee-schedule>. Except as otherwise noted in the plan, State developed fee schedule rates are the same for both governmental and private providers.

(a) Effective January 1, 2014, new Physician Assistant 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.

(b) 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 Physician Assistants 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 Physician Assistants Medicaid Facility rate is set at 85 percent of the Medicare Physician Facility rate.

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

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PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICES

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 Medical Home Services will be made to licensed nurse practitioners for services provided by a Pregnancy Medical Home 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.

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State: North Carolina

Payments for Medical and Remedial Care and Services

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