

Table of Contents

State/Territory Name: North Carolina

State Plan Amendment (SPA) #: 19-0003

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

August 20, 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 19-0003 that was submitted on May 24, 2019. This State Plan Amendment was submitted for the purpose of removing lab service payments for Local Health Departments from the cost settlement process and reimbursing them at the Medicare Fee Schedule amount. 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.

Based on the information provided, we are now ready to approve Medicaid State Plan Amendment NC 19-0003. This SPA was approved on August 19, 2019. The effective date of this amendment is July 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: 19-0003	2. STATE NC
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
FOR: HEALTH CARE FINANCING ADMINISTRATION	4. PROPOSED EFFECTIVE DATE July 1, 2019	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		

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 438.6 (c)	7. FEDERAL BUDGET IMPACT: a. FFY 2019 \$31,474.00 b. FFY 2020 \$125,654.00 c. FFY 2021 \$125,654.00
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-B, Section 3, page 1	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-B, Section 3, page 1

10. SUBJECT OF AMENDMENT:

Laboratory

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: 05/24/19	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: 05/24/19	18. DATE APPROVED: 08/19/19
-----------------------------	-----------------------------

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: 07/01/19	20. SIGNATURE OF REGIONAL OFFICIAL: /s/
21. TYPED NAME: Shantrina D. Roberts	22. TITLE: Deputy Director Division of Medicaid Field Operations South

23. REMARKS:

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.