



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

**ROY COOPER** • Governor  
**KODY H. KINSLEY** • Secretary  
**JAY LUDLAM** • Deputy Secretary, NC Medicaid

July 03, 2023

Dear County DSS Director:

The Department of Health and Human Services, Division of Health Benefits (Division) hereby provides notice of its intent to revise the RHC reimbursement section Attachment 4.19B of the Medicaid State Plan. This amendment will implement a new Alternate Payment Methodology (APM) for Core Service and Well Child visits based on one hundred thirteen percent (113%) of Medicaid allowable costs from 2021 Medicaid cost reports, inflated to the current period by the greater of the FQHC Market Basket or the Consumer Price Index (CPI) for medical care, and rebased triennially. The provider specific APM rate determination will exclude costs for pharmacy services, physician hospital services and incentive payments, all three of which will continue to be billed separately per the Medicaid State Plan.

Under Medicaid Direct, providers will be reimbursed their provider specific APM rate prospectively for Core Services and Well Child Visits. Under Managed Care, providers will be reimbursed a statewide interim rate for Core Services and Well child visits and will receive a wrap-around payment for the difference between the interim rate and the provider-specific APM rate; it is expected the Managed Care entities will reimburse the interim rate and wrap payment amount simultaneously beginning January 1, 2024. Ancillary Services and other ambulatory services will not be separately reimbursed under Medicaid Direct or Managed Care.

For the period of July 1, 2023 through December 31, 2023, RHCs shall continue to be reimbursed using the payment methodology in effect on June 30, 2023. At the conclusion of the July 1, 2023 to December 31, 2023 period, the Division shall make a lump sum payment to each RHC equal to the difference between what each RHC would have received under the APM rate for the same services and actual payments made during the July 1, 2023 through December 31, 2023 period.

Please post this notice in your facility so that interested parties may be made aware of this proposed change and may comment as necessary. The posting can be removed after ninety days from the date of this letter.

Sincerely,

*Cecilia Williams*

Cecilia Williams  
State Plan and Amendments Coordinator

Attachment: Public Notice SPA 23-0021 (Rural Health Clinics)  
NC MEDICAID

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

**PUBLIC NOTICE (SPA #23-0021)  
Rural Health Clinics (RHC)**

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This amendment will become effective July 1, 2023.

The annual estimated state fiscal impact of this change is

a. SFY 2024	\$1,347,935
b. SFY 2025	\$1,520,888

A copy of the proposed public notice may be viewed at the County Department of Social Services. Questions, comments and requests for copies of the proposed State Plan amendment should be directed to the Division of Health Benefits at the address listed below.

Jay Ludlum  
Deputy Secretary for NC Medicaid  
Division of Health Benefits  
2501 Mail Service Center  
Raleigh, NC 27699-2501

Posted on the Division of Health Benefits Website: June 28, 2023  
<https://medicaid.ncdhhs.gov/get-involved/nc-health-choice-state-plan>