



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 05, 2023

Dear County DSS Director:

The Department of Health and Human Services, Division of Health Benefits (DHB) hereby provides notice of its intent to revise the FQHC reimbursement section Attachment 4.19B of the Medicaid State Plan. This amendment will implement a new Alternate Payment Methodology (APM) for Core Service, Well Child and Dental 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 that 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. Providers will receive a quarterly wrap payment for Dental service visits under Medicaid Direct up to their provider specific APM rate.

For the period of July 1, 2023, through December 31, 2023, FQHCs 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 FQHC equal to the difference between what each FQHC 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

PUBLIC NOTICE (SPA #23-0022)
Federally Qualified Health Centers (FQHC)

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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	\$6,115,037
	b. SFY 2025	\$7,120,057

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>