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# Network Communication Bulletin #293

**To:** All Providers

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VP of Network Management

**Date:** April 3, 2023

**Subject:** Electronic Visit Verification for Home Health Services: Revised Implementation Dates, Updates to Skilled Nursing Facility Provider Assessment Rates, Clarification of NC Medicaid's Institutions of Mental Disease Payment Policy (JCB#451)

## SPECIAL BULLETIN MEDICAID TRANSFORMATION

### ELECTRONIC VISIT VERIFICATION FOR HOME HEALTH SERVICES: REVISED IMPLEMENTATION DATES

[EW Implementation Timelines, Updates to SNF Provider Assessment Fees](#)

Implementation guidelines reflect the Tailored Plan launch date of Oct. 1, 2023.

Note: This bulletin article replaces the Jan. 24, 2023, bulletin titled [NC Medicaid Electronic Visit Verification Revised Implementation Dates to Align with Transition of 1915\(b\) benefits to 1915\(i\) Authority](#). The EVV implementation timelines in the table below have been updated to reflect the Oct. 1, 2023, Tailored Plan launch.

Plan	Impacted Systems	Soft Launch Start	Hard Launch Start
NC Medicaid Direct [HHCS]	NCTracks + Providers	4/1/2023	7/1/2023
Standard Plans [HHCS]	EPS + PHPs + HHAExchange / CareBridge	4/1/2023	7/1/2023
LME/MCO [PCS Behavioral Health Services]	EPS + LME/MCO + HHAExchange	4/1/2023	7/1/2023
Tailored Plans [HHCS]	EPS + TPs + HHAExchange	10/1/2023	12/1/2023



Plan	Impacted Systems	Soft Launch Start	Hard Launch Start
Tailored Plans [State Plan PCS]	EPS + TPs + HHAExchange	10/1/2023	12/1/2023
Tailored Plans [1915(i)]	EPS + TPs + HHAExchange	TBD	TBD
LME/MCO [1915(i)]	EPS + LME/MCO + HHAExchange	TBD	TBD

## UPDATES TO SKILLED NURSING FACILITY PROVIDER ASSESSMENT RATES

### [Updates to Skilled Nursing Facility Provider Assessment Rates](#)

#### Quarterly assessment rate adjustments begin April 1, 2023

As previously communicated in the Medicaid Bulletin released on Dec. 14, 2022, Skilled Nursing Facilities Provider Assessment Modifications and Update on Temporary COVID-19 add on Rates, NC Medicaid revised the skilled nursing facility (SNF) provider assessment program structure to allow NC Medicaid to reinvest additional provider tax collections and associated federal matching dollars into an increase in Medicaid SNF-specific per diem rates.

The change and resulting new per diem rates also incorporated the temporarily enhanced federal match in place at the time as part of the federal COVID-19 response. Since that temporarily enhanced federal match rate will adjust on April 1, 2023, consistent with federal law, NC Medicaid must now adjust the SNF provider assessment amount accordingly.

Provisions of the Families First Coronavirus Response Act (FFCRA) signed into law on March 18, 2020, allowed states meeting certain requirements to be eligible for enhanced federal match of Medicaid payments during the COVID-19 Public Health Emergency (PHE). The SNF provider assessment, which is authorized to fund part of the non-federal share of SNF per diem rates, was temporarily reduced by the presence of the temporarily enhanced federal match. Had this enhanced match not been in place on Nov. 1, 2022, the provider assessment rate increase put into effect on that date would have been higher.

Provisions of the federal Consolidated Appropriations Act of 2022 signed into law on Dec. 29, 2022, severed the linkage between the enhanced federal match and the end of the COVID-19 PHE. Instead, the Act identified a phased reduction of the enhanced federal match beginning April 1, 2023.

Consequently, effective April 1, 2023, and quarterly thereafter, NC Medicaid will adjust the quarterly SNF provider assessment rate as identified below to continue supporting the same level of per diem rates as outlined in Medicaid Bulletin released on Dec. 14, 2022:

For Dates of Service Beginning	Continuing Care Retirement Communities and Tribal Facilities	Nursing Facility Total Annual Census	Nursing Facility Total Annual Census
		Greater than 42,000 Patient Days	0 - 42,000 Patient Days
Jan. 1, 2023	\$0.00	\$8.64	\$26.74
April 1, 2023	\$0.00	\$7.88	\$24.38
July 1, 2023	\$0.00	\$9.45	\$29.25
Oct. 1, 2023	\$0.00	\$9.45	\$29.25
Jan. 1, 2024	\$0.00	\$9.45	\$29.25
April 1, 2024	\$0.00	\$9.45	\$29.25

Pursuant to Section .0109 in Chapter 22, Subchapter G of the North Carolina Administrative Code, SNF per diem assessments are imposed on occupied non-Medicare patient days and are due within 15 days of the last day of the reporting month. *For example, payment at the new rate for the reporting month of April 2023 is due by May 15, 2023.*

## **CLARIFICATION OF NC MEDICAID'S INSTITUTIONS OF MENTAL DISEASE PAYMENT POLICY**

This bulletin clarifies that Joint Communication Bulletin #J348 informs LME/MCOs of the scope of NC Medicaid's payment policy for institutions for mental disease (IMD) stays for substance use disorders (SUD) that exceed 15-days per month under North Carolina's 1115 waiver authority.

LME/MCOs were also notified of NC Medicaid's longstanding payment policy regarding IMD stays associated with mental health diagnoses that exceed 15- days. The policy remains unchanged and is consistent with federal regulation 42 C.F.R. 438.6(e), as further clarified by the Centers for Medicare & Medicaid Services (CMS) in the 2020 Managed Care Final Rule.<sup>1</sup>

NC Medicaid believes that the longstanding payment policy for mental health IMD stays may have been misinterpreted as a legal requirement limiting the type of payment arrangements

LME/MCOs may enter into with an IMD regarding payment for IMD stays, including stays that exceed 15-days.

NC Medicaid's payment policies for Medicaid services, including IMD stays, are generally governed by the contract between NC Medicaid and each LME/MCO. Although NC Medicaid may impose additional requirements on LME/MCOs that could impact downstream providers, NC Medicaid does not generally dictate payment negotiations. Such payment arrangements are to be resolved by the contracting parties. NC Medicaid's approach aligns with CMS's clarification that federal IMD regulations do not "address repayment arrangements between a Medicaid managed care plan (that is, a LME/MCO or PIHP) and a provider that is an IMD."

As a result, while a LME/MCO will not receive a capitation payment from the state for a non-qualifying IMD stay, any decisions regarding payment between the MCO and the IMD in such circumstances are "within the scope of the contractual arrangements" between the LME/MCO and the IMD.

If you have any questions, please contact Deb Goda at 919-527-7630 or [deborah.goda@dhhs.nc.gov](mailto:deborah.goda@dhhs.nc.gov).