

1 10A NCAC 22Q .0102 is proposed as a temporary rule as follows:

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3 **10A NCAC 22Q .0102 DEFINITIONS**

4 (a) “Certifying Hospitals” means an institution that meets all of the following criteria:

5 (1) ~~is defined~~ meets the definition in G.S. 131E-176(13);

6 (2) is licensed by the State of North Carolina; and

7 (3) certifies as a public agency that its expenditures are eligible for Federal Financial  
8 Participation in accordance with 42 CFR 433.51(b), which is incorporated by reference,  
9 including subsequent amendments and editions. This document may be accessed at  
10 <https://www.ecfr.gov> at no charge.

11 (b) “Department” means the North Carolina Department of Health and Human Services.

12 (c) “Outpatient services” means those services as defined by 42 CFR 440.20(a), which is hereby  
13 incorporated by reference, including subsequent amendments and editions. This document can be  
14 accessed at <https://www.ecfr.gov> at no charge.

15 (d) “Uninsured patient” means medical care recipients who do not have health insurance, Medicaid or  
16 Medicare, or other third-party coverage. State or local government payments made to a hospital for  
17 services provided to indigent patients shall not be considered a source of third-party coverage.

18 (e) “Hospital Uncompensated Care Fund” means the fund established by G.S. 143C-9-9 and governed by  
19 10A NCAC 22R.

20 (f) “Payment period” means the 12-month term ending September 30th of each year.

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22 *History Note: Authority G.S. 108A-54; 143C-9-9;*

23 *Temporary Adoption Eff. December 29, 2021.*

1 10A NCAC 22Q .0104 is proposed as a temporary rule as follows:

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3 **10A NCAC 22Q .0104 CERTIFYING HOSPITAL DISTRIBUTION**

4 The Department shall distribute available funds to certifying hospitals in two parts:

5 (1) An amount equal to 10 percent of expenditures certified by the hospital pursuant to 42 CFR  
6 433.51; and

7 (2) An amount equal to the hospital's proportionate share, calculated pursuant to Rule .0106 of  
8 this Section, of the available funds based on the hospital's share of outpatient costs for  
9 uninsured patients as a percentage of the Statewide aggregate of outpatient costs for  
10 uninsured patients. To be eligible for a proportionate share, a hospital shall file with the  
11 Department 90 days prior to the date of payment as determined by the ~~Department~~  
12 Department, a form prescribed by the Department attesting to the hospital's:

13 (a) Qualification for disproportionate share status under the "Disproportionate Share  
14 Hospital (DSH) Payment" section of the North Carolina Medicaid State Plan,  
15 Attachment 4.19-A;

16 (b) Unreimbursed charges and payments for outpatient services provided to uninsured  
17 patients; and

18 (c) Aggregate Medicaid outpatient cost-to-charge ratio.

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20 History Note: Authority G.S. 108A-54; 143C-9-9;

21 Temporary Adoption Eff. December 29, 2021.  
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1 10A NCAC 22R .0105 is proposed as a temporary rule as follows:

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3 **10A NCAC 22R .0105 DISTRIBUTION OF AVAILABLE FUNDS**

4 (a) An eligible hospital satisfying the requirements of Rule .0103 of this Section shall be eligible for a  
5 payment from funds available under this Subchapter. In a payment period, an eligible hospital shall receive  
6 a proportional payment of the available funds based on the eligible hospital's share of outpatient costs for  
7 uninsured patients as a percentage of the aggregate of outpatient costs for uninsured patients for all eligible  
8 hospitals.

9 (b) Based on the availability of funds, payments authorized by this Rule shall be made at least annually on  
10 a frequency determined by the Department in consultation with certifying hospitals.

11 (c) To confirm the hospital's eligibility to receive payments pursuant to this Subchapter and the accuracy  
12 of the hospital's attestation to unreimbursed charges for outpatient services provided to uninsured patients  
13 and the hospital's Medicaid outpatient cost-to-charge ratios, the Department may ~~cause audit~~ a hospital  
14 receiving more than two million dollars (\$2,000,000) ~~to be audited~~ for compliance with the requirements  
15 of this Subchapter. Upon completion of the audit, the following shall occur when applicable:

- 16 (1) If a hospital received payments pursuant to Paragraph (a) of this Rule in excess of the  
17 percentage determined by the audit, the excess payments shall be refunded to the Department.  
18 (2) The Department shall distribute any refunded amounts to eligible hospitals within 12 months  
19 of receipt using the distribution method set forth Paragraph (a) of this Rule.  
20 (3) No additional payment shall be made to eligible hospitals in connection with the audit except  
21 for the redistribution of amounts refunded after an audit conducted by the Division of Health  
22 Benefits.

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24 History Note: Authority G.S. 108A-54; 143C-9-9;  
25 Temporary Adoption Eff. December 29, 2021.  
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