

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2011

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SENATE BILL 245
Health Care Committee Substitute Adopted 3/17/11

Short Title: Medicaid Billing by Local Health Departments.

(Public)

Sponsors:

Referred to:

March 8, 2011

1 A BILL TO BE ENTITLED
2 AN ACT TO AUTHORIZE LOCAL PUBLIC HEALTH DEPARTMENTS, DISTRICT
3 HEALTH DEPARTMENTS, AND CONSOLIDATED HUMAN SERVICES AGENCIES
4 TO BILL MEDICAID THROUGH AN APPROVED MEDICAID CLEARINGHOUSE
5 OR THROUGH THE DEPARTMENT OF HEALTH AND HUMAN SERVICES,
6 DIVISION OF PUBLIC HEALTH.

7 The General Assembly of North Carolina enacts:

8 **SECTION 1.** Part 1A of Article 2 of Chapter 130A of the General Statutes is
9 amended by adding a new section to read:

10 **"§ 130A-34.2. Billing of Medicaid.**

11 (a) Local health departments, district health departments, and consolidated human
12 services agencies shall have the following two options to bill public health program services to
13 Medicaid:

14 (1) Submit claim data to HIS and manage 837/835 billing files within HIS.

15 (2) Submit claim data to any approved Medicaid clearinghouse and manage
16 837/835 billing files within that system.

17 (b) The Division of Public Health may require local health departments, district health
18 departments, and consolidated human services agencies, regardless of how those entities
19 choose to bill public health program services to Medicaid, to submit aggregate data to the
20 Division of Public Health.

21 (c) Local health departments, district health departments, and consolidated human
22 services agencies shall not be required under this section to submit encounter level data to the
23 Division of Public Health or the Health Information System.

24 (d) Local health departments, district health departments, and consolidated human
25 services agencies that bill services through a Medicaid clearinghouse shall be entitled to the
26 same reimbursement rates negotiated for agencies classified as public health entities and the
27 same Medicaid cost settlement reimbursement as those agencies that bill services through HIS.

28 (e) The Division of Public Health shall provide aggregate data requirements for the
29 purposes of Medicaid cost study reimbursement on behalf of the local health departments,
30 district health departments, and consolidated human services agencies that choose to bill
31 services through a Medicaid clearinghouse. Those local health departments, district health
32 departments, and consolidated human services agencies shall submit to the Division of Public
33 Health the data required for the purposes of Medicaid cost study reimbursement.

34 (f) As used in this section, unless otherwise specified, the following definitions apply:

35 (1) "Aggregate data" means high-level reports about services provided, such as
36 the number of patients meeting particular criteria served by a health



- 1 department or the count of a particular service being performed by a health
- 2 department.
- 3 (2) "Encounter level data" means patient identified data specific to each medical
- 4 encounter used to bill medical services.
- 5 (3) "Health Information System" or "HIS" means the system operated by the
- 6 North Carolina Division of Public Health and used by local health
- 7 departments to record information about services the local health
- 8 departments provide.
- 9 (4) "Public health program services" means services normally provided by a
- 10 local health department under agreements with the North Carolina Division
- 11 of Public Health or the North Carolina Division of Medical Assistance."

12 **SECTION 2.** This act is effective when it becomes law and applies to Medicaid
13 claims arising on and after that date.