

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2011

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SENATE BILL 245  
Health Care Committee Substitute Adopted 3/17/11  
House Committee Substitute Favorable 5/17/11  
Fourth Edition Engrossed 5/18/11

Short Title: Medicaid Billing by Local Health Departments.

(Public)

Sponsors:

Referred to:

March 8, 2011

A BILL TO BE ENTITLED

AN ACT TO AUTHORIZE LOCAL PUBLIC HEALTH DEPARTMENTS, DISTRICT HEALTH DEPARTMENTS, AND CONSOLIDATED HUMAN SERVICES AGENCIES TO BILL MEDICAID THROUGH AN APPROVED MEDICAID CLEARINGHOUSE OR THROUGH THE DEPARTMENT OF HEALTH AND HUMAN SERVICES, DIVISION OF PUBLIC HEALTH.

The General Assembly of North Carolina enacts:

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

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

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

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

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

(b) The Division of Public Health may require local health departments, district health departments, and consolidated human services agencies, regardless of how those entities choose to bill public health program services to Medicaid, to submit aggregate data to the Division of Public Health. These data shall be provided in a format specified by the Division of Public Health.

(c) Local health departments, district health departments, and consolidated human services agencies shall make available encounter-level data for the Division of Public Health as necessary to comply with federal grant reporting requirements. These data shall be provided in a format specified by the Division of Public Health. However, local health departments shall not be required to use Common Name Data System (CNDS) for any purpose.

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

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



1 departments, and consolidated human services agencies shall submit to the Division of Public  
2 Health the data required for the purposes of Medicaid cost study reimbursement and shall retain  
3 responsibility to supply the Division of Medical Assistance and/or Centers for Medicare and  
4 Medicaid Services (CMS) documentation to support audit processes and procedures to confirm  
5 and validate cost study reimbursement data, as defined by CMS cost find regulations.

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

7 (1) "Aggregate data" means high-level reports about services provided by local  
8 health departments, district health departments, and consolidated human  
9 services agencies, such as the number of patients meeting particular criteria  
10 served by a health department or consolidated human service agency or the  
11 count of and dollars received for each particular service being performed by  
12 a health department or consolidated human service agency, by funding  
13 source program and appropriate service code and that comply with  
14 appropriate State and federal regulations.

15 (2) "Encounter-level data" means patient-identified data specific to each medical  
16 encounter used to bill medical services.

17 (3) "Health Information System" or "HIS" means the system operated by the  
18 North Carolina Division of Public Health and used by local health  
19 departments to record information about services the local health  
20 departments provide.

21 (4) "Public health program services" means services normally provided by a  
22 local health department under agreements with the North Carolina Division  
23 of Public Health or the North Carolina Division of Medical Assistance."

24 **SECTION 2.** This act is effective when it becomes law and applies to Medicaid  
25 claims arising on and after that date. Local health departments, district health departments, and  
26 consolidated human services agencies may rebill outside of the HIS system any unpaid  
27 Medicaid claims submitted to HIS between the time period of July 1, 2010, and the effective  
28 date of this act.