

## **10A NCAC 27A .0221 USE OF DIVISION FUNDS FOR INPATIENT SERVICES**

(a) Inpatient funding for the purchase of services from local inpatient providers and medical doctors shall meet the following requirements:

- (1) Program Requirements
  - (A) Division funds may be used by area programs for the purchase of community inpatient care with local providers. All patients to be served under the plan shall be accepted as patients of the area program. Such a patient is one who is assigned an area program client record number, has a master client record card and services rendered are documented in a client record in accordance with area program standards requirements in 10A NCAC 27G .0206. Area authorities shall contract with a local inpatient provider accredited by the Joint Commission of Accreditation of Hospitals Organization or licensed by the Division of Health Service Regulation and designated by the Division of Mental Health, Developmental Disabilities and Substance Abuse Services.
  - (B) Non-residents of the State of North Carolina may receive inpatient care under the area program inpatient program only under emergency situations. An emergency situation would be where a person needs immediate hospitalization which cannot be delayed until he is transported to an appropriate inpatient facility within his resident state.
  - (C) An area authority may contract with private psychiatrists or other medical doctors to provide professional services in inpatient settings. Such contracts shall be in accordance with 10A NCAC 27A .0106.
  - (D) Part-time consultant medical doctors employed by the area program for non-inpatient care may also be contracted to provide inpatient care. The area director shall assure that there will not be a conflict, such as dual payment, between the part-time physician's employment for outpatient care and in the inpatient program.
  - (E) Use of Division funds for inpatient services shall be limited to services for alcohol or drug detoxification and for treatment of emotional disorders.
- (2) Fiscal Requirements:
  - (A) A written contract between the area authority and the provider or attending medical doctor shall be established in accordance with 10A NCAC 27A .0106. The contract shall contain, at a minimum, provisions which deal with such matters as payment for patient; responsibility for reimbursement; services to be provided; responsibility for patient admission; records; statistical information; posting of payments; and maintenance of patient care cost.
  - (B) Requirement for Inpatient Facilities Reimbursement:
    - (i) Reimbursement to the inpatient provider for alcohol and/or drug detoxification or emotional disorders shall not exceed the lesser of the following:
      - (I) the difference between any first and/or third party payments or both collected and the approved all inclusive prospective medicaid reimbursement rate for the provider on an individual patient basis; or
      - (II) charges for inpatient services. The medicaid rate to be reimbursed shall be the effective rate at date of discharge. The inpatient provider shall follow usual collection procedures for each patient before billing the area program.
    - (ii) A request for reimbursement for inpatient cost shall be submitted by the provider to the area program which will be the basis for reimbursement.
  - (C) Requirements for Attending Physician Reimbursement:
    - (i) Area authorities which elect to contract with medical doctors for the provision of inpatient services shall use one of the following two methods to reimburse the medical doctor for services:
      - (I) The area program shall pay the medical doctor at his medicaid provider rate or usual and customary charge until a medicaid provider rate is established for all services rendered. Under this method, the area program shall bill all first and third party payors for all services rendered and retain all receipts.
      - (II) The medical doctor shall bill all first and third party payors for rendered. The medical doctor shall request reimbursement from the area program for any unreimbursed care, up to his medicaid provider rate.
    - (ii) Full-time medical doctors employed by the area program may be eligible for payment from inpatient funds according to the area policy for reimbursement of physicians

providing on-call, extended duty and emergency call-back services. The area policy shall be included in the "other pay" provisions submitted to the State Personnel Director. These provisions are in addition to the regular pay plan submitted and may be submitted separately.

(b) The area program shall not be required to make a cost settlement with the local inpatient provider.

*History Note: Authority G.S. 122C-112; 122C-147; 122C-148;  
Eff. December 29, 1978;  
Amended Eff. February 1, 1996; April 1, 1990; July 1, 1983; February 25, 1980;  
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. June 25, 2016.*