



## North Carolina Department of Health and Human Services

Pat McCrory  
Governor

Aldona Z. Wos, M.D.  
Ambassador (Ret.)  
Secretary DHHS

Division of Mental Health, Developmental  
Disabilities and Substance Abuse Services  
3001 Mail Services Center  
Raleigh, North Carolina 27699-3001  
Tel 919-733-7011 Fax 919-508-0951  
Courtney M. Cantrell, Ph.D.  
Director

Division of Medical Assistance  
2501 Mail Services Center  
Raleigh, North Carolina 27699-2501  
Tel 919-855-4100 Fax 919-733-6608  
Robin Gary Cummings, M.D.  
Deputy Secretary for Health Services  
Deputy Secretary for Medicaid

### MCO Communication Bulletin #J134

Date: April 15, 2015

To: LME-MCOs

From: Mabel McGlothlen, LME System Performance Team Leader, DMH//DD/SAS, and Kathy Nichols, Lead Waiver Program Manager, Behavioral Health Section, DMA

Subject: Medicaid Payment for Services Provided Without Charge (Free Care)

The purpose of this bulletin is to make Local Management Entities-Managed Care Organizations (LME-MCOs), Community Care of North Carolina/Carolina Access (CCNC/CA), and other Medicaid-enrolled providers aware of recent changes to the Centers for Medicare & Medicaid Services (CMS) policy regarding Medicaid payments for services provided without charge (including services that are available without charge to the community at large, or “free care”).

**This change gives providers the ability to bill only Medicaid and provide the service free to those who don’t have alternative coverage.** In the past, providers could not bill Medicaid for services which they provided at no cost to other patients. Therefore, if providers billed Medicaid for a specific service, they also had to bill patients who had private insurance. If that service wasn’t covered by their private insurance policies, those patients were subject to an out-of-pocket expense, which could not be waived under the CMS rules.

The new ruling by the Departmental Appeals Board revises the previous policy and states that:

*“Medicaid reimbursement is available for covered services under the approved state plan that are provided to Medicaid Beneficiaries, regardless of whether there is any charge for the service to the beneficiary or the community at large.”*

To read the entire CMS publication regarding third-party liability and Federal Financial Participation (FFP) for Medicaid services provided without charge, visit [www.medicaid.gov/federal-policy-guidance/downloads/smd-medicaid-payment-for-services-provided-without-charge-free-care.pdf](http://www.medicaid.gov/federal-policy-guidance/downloads/smd-medicaid-payment-for-services-provided-without-charge-free-care.pdf).

If you have questions, please contact Kelsi Knick at: [Kelsi.knick@dhhs.nc.gov](mailto:Kelsi.knick@dhhs.nc.gov).

*Previous bulletins can be accessed at: <http://itcommunicationbulletins.ncdhhs.gov/>*

Cc: Robin Gary Cummings, M.D., DMA  
Dave Richard, DHHS  
DMA Leadership Team  
DMH/DD/SAS Leadership Team  
Dale Armstrong, DSOHF  
Mary Hooper, NCCCCP