

10A NCAC 22F .0602 ADMINISTRATIVE ACTIONS

(a) The following types of administrative actions may be imposed in any particular order by the Division in instances of program abuse by providers:

- (1) warning letters for instances of abuse that can be settled by issuing a warning to cease the specific abuse. The letter shall state that any further violations shall result in administrative or legal action initiated by the Division;
- (2) suspension of a provider from further participation in the Medicaid Program for a specified period of time, subject to appeal rights under G.S. 150B, Article 3, provided that findings have been made by the Division that this action shall not deprive recipients of access to reasonable service of adequate quality as set out in 42 C.F.R. 440.230, 440.260, and 455.23, which are adopted and incorporated by reference with subsequent changes or amendments and available free of charge at <https://www.ecfr.gov/>;
- (3) termination of a provider from further participation in the Medicaid Program, subject to appeal rights under G.S. 150B, Article 3, provided that findings have been made by the Division that this action shall not deprive recipients of access to reasonable services of adequate quality as set out in 42 C.F.R. 440.230, 440.260, and 455.23, which are adopted and incorporated by reference with subsequent changes or amendments and available free of charge at <https://www.ecfr.gov/>;
- (4) probation whereby a provider's participation is monitored for a specified period of time not to exceed one year, subject to appeal rights under G.S. 150B, Article 3. At the termination of the probation period the Division shall conduct a follow-up review of the provider's Medicaid practice to ensure compliance with all applicable laws, regulations, and conditions of participation in Medicaid;
- (5) negotiation of a financial settlement with the provider;
- (6) placing the provider on prepayment review in accordance with G.S. 108C-7; or
- (7) establishing a monitoring program not to exceed one year whereby the provider shall comply with pre-established conditions of participation to allow review and evaluation of the provider's Medicaid claims.

(b) The following factors are illustrative of those to be considered in determining the kind and extent of administrative actions to be imposed:

- (1) seriousness of the offense;
- (2) extent of violations found;
- (3) history of prior violations;
- (4) prior imposition of sanctions;
- (5) length of time provider practiced violations;
- (6) provider willingness to obey program rules;
- (7) recommendations by the investigative staff or Peer Review Committees; and
- (8) effect on health care delivery in the area.

(c) When the Division has taken administrative action against a provider under Paragraphs (a)(2), (a)(3), or (a)(4) of this Rule, the Division shall notify the licensing board or other certifying group governing the sanctioned provider, federal and state agencies, and departments of social services in the counties where beneficiaries served by the provider reside of the findings made and the sanctions imposed.

History Note: Authority G.S. 108A-25(b); 108A-54; 108A-54.1B; 108C-5; 108C-7; 42 C.F.R. 440.230; 42 C.F.R. 440.260; 42 C.F.R. Part 431; 42 C.F.R. Part 455; 42 C.F.R. 455.23; 42 C.F.R. 455.101; 42 C.F.R. 1002.3; Eff. May 1, 1984; Amended Eff. December 1, 1995; May 1, 1990; Readopted Eff. September 1, 2018; Amended Eff. March 1, 2020.