

Addendum to Fiscal Note for 21 NCAC 64 .1003

Date: September 29, 2026

This addendum supplements the previously approved 2026 Fiscal Note analyzing the potential impacts of proposed amendments to 21 NCAC 64 .1003 (the “Rule”).

The Board believes the Rule is reasonably necessary based on the requirements of the Board’s practice act, specifically NCGS § 90-298.1. (“A licensed speech and language pathologist or a licensed audiologist may register with the Board an assistant who works under the licensee’s supervision”)

North Carolina currently has no minimum standard for supervision, except that assistants must be supervised. There is no rule determining a minimally adequate level of supervision of SLP-Assistants by an SLP. As such, in developing the Rule, the Board conferred with stakeholders in the regulated profession and reviewed regulatory frameworks in neighboring states to determine appropriate supervision oversight needed to protect patient health, safety, and welfare. In doing so, the Board concluded that several neighboring states utilize a recurring supervision requirement, allowing SLP’s to document time spent directly and indirectly supervising an SLP-Assistant. The Board understands that codifying parameters around minimally compliant supervision of an SLP-Assistant may impact the number of client sessions that SLP’s and SLP-Assistants may perform.

The Board is aware that proposed revisions to the federal Medicare reimbursement rate for speech-language sessions currently is underway. The American Medical Association (“AMA”) manages the library of Current Procedural Terminology (“CPT”) Codes, which are used by healthcare providers to uniformly describe medical, surgical, and diagnostic services for reimbursement and data tracking. The CPT Editorial Panel (the “Panel”) of the AMA completes an annual review of CPT Codes to make revision recommendations to the Centers for Medicare & Medicaid Services (“CMS”). This year, the Panel reviewed and made a recommendation for revision of the CPT Code for speech-language related disorders, 92507. The Panel reviewed the current reimbursement model in hopes of providing greater specificity in care by creating additional codes for various services related to speech-language disorders.

On July 14, 2026, based on the Panel’s recommendations, CMS issued a proposed rule that announces and solicits public comments on proposed policy changes for Medicare payments under the Physician Fee Schedule (“PFS”), and other Medicare Part B issues, which is projected to have an effective date on or after January 1, 2027.¹ On September 14, 2026, the public comment period to submit feedback to CMS for proposed policy changes ended. CMS still must promulgate a final rule to confirm the proposed changes in CPT Codes and federal reimbursement rates, which is not expected until November 2026, for an earliest effective date of January 2027.

In addition to reviewing current CPT Codes and reimbursements structures, CMS is required to

¹ CMS-2026-2377-0002; <https://www.regulations.gov/document/CMS-2026-2377-0002>

implement changes to federal law as enacted by Congress.² Beginning in Calendar Year (“CY”) 2026, there are two separate conversion factors: one for qualifying alternative payment model (“APM”) participants (“QP”) and one for physicians and practitioners who are not QPs. The update to the qualifying APM conversion factor for CY 2027 is +0.75% while the update to the non-qualifying APM conversion factor for CY 2027 is +0.25%. The changes to the PFS conversion factors for CY 2027 include these updates as required by statute and an estimated +0.53% adjustment necessary to account for proposed changes in work Relative value units (“RVU”) for some services.

In 2025, Public Law 119-21, which CMS refers to as the Working Families Tax Cut legislation, took effect and provided a one-year PFS conversion factor increase of 2.50% for CY 2026, which will no longer be in effect for CY 2027. This effectively means that rates promulgated for CY 2027 could cause a 2.50% reduction in Medicare payment under the PFS compared to CY 2026. The proposed CY 2027 qualifying APM conversion factor of \$33.17 represents a projected decrease of \$0.40 (-1.19%) from the current conversion factor of \$33.57. Similarly, the proposed CY 2027 nonqualifying APM conversion factor of \$32.84 represents a projected decrease of \$0.56 (-1.68%) from the current conversion factor of \$33.40.

Based on the current review and rule promulgation process of the AMA and CMS, the future economic and regulatory conditions expected after implementation of the rule are unknown, given: (1) procedural posture of the federal rulemaking discussed above; (2) the fiscal impact caused by Public Law 119-21; and (3) CMS annually may adjust and revise Medicare reimbursement rates going forward, based on recommendations from the Panel. However, using a baseline assumption that a variance between the current and projected federal reimbursement rate for SLP services may be approximately 1.19% and 1.68%, the Board continues to characterize the likely substantial economic impact as “likely but uncertain.”

The Board has appropriately forecasted the fiscal impact based on state law and OSBM standards. The Board has reviewed the prior public comments for this rule and further revised its fiscal analysis based on the information presented. The Board coordinated with OSBM in drafting the fiscal analysis and OSBM approved the fiscal note. The Board will continue to seek input from all stakeholders, including practitioners and the public, on the implementation of the Rule.

²<https://www.cms.gov/newsroom/fact-sheets/calendar-year-cy-2027-medicare-physician-fee-schedule-proposed-rule>