

Department of Health & Human Services  
Centers for Medicare & Medicaid Services  
61 Forsyth St., Suite 4T20  
Atlanta, Georgia 30303-8909



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October 4, 2010

Craigan Gray, MD, MBA, JD  
Director  
Division of Medical Assistance  
North Carolina Department of Health and Human Services  
2501 Mail Service Center  
Raleigh, North Carolina 27699-2501

Attention: Teresa Smith

RE: North Carolina Title XIX State Plan Amendment, Transmittal #10-002

Dear Dr. Gray:

We have reviewed the proposed amendment to the North Carolina Medicaid State Plan NC 10-002 that was received in the Regional Office on May 4, 2010. This State plan amendment was submitted with only Attachment 3.1-A pages and no Attachment 4.19-B pages, however, 4.19-B pages were submitted on July 13, 2010.

The amendment to Attachment 3.1-A implements a new service, Professional Treatment Services in Facility-Based Crisis Program – Children and Adolescents. The service was placed under the Diagnostic, Screening, Treatment, Preventive and Rehabilitative Services section of the State plan. The service is for children and adolescents who have a mental illness, intellectual/developmental disability (IDD), and or substance abuse disorder and is provided in a 24-hour residential facility with 16 beds or less. It is a short term service that provides disability-specific care and treatment in a non-hospital setting for individuals requiring acute crisis stabilization. The crisis stabilization service includes a comprehensive clinical assessment, treatment intervention, behavior management or support plan, and aftercare planning. The service is designed as a time-limited alternative to hospitalization for an individual in crisis.

The corresponding financial page review resulted in the expansion of the payment methodology for Facility-Based Crisis Program – Adults to include Children and Adolescents located at 4.19B, Section 13, Page 5g. NC initially submitted the payment methodology with Multi Systemic Therapy (Child), Ambulatory Detoxification (Child and Adult) and Professional Treatment Services in Facility Based Crisis Programs (Adult) payment methodologies included on the same submitted page. For clarification purposes, each group was moved to their own state plan page.

A companion letter is being issued to the State of North Carolina for the coverage issues CMS has identified for Multi Systemic Therapy and Ambulatory Detoxification.

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Based on the information provided, we are pleased to inform you that Medicaid State Plan Amendment NC 10-002 was approved on September 30, 2010. The effective date of this amendment is September 1, 2010. We are enclosing the approved form HCFA-179 and plan pages.

If you have any questions or need any further assistance, please contact Elaine Elmore at (404) 562-7408.

Sincerely,

/s/

Jackie Glaze  
Associate Regional Administrator  
Division of Medicaid & Children's Health Operations

Enclosures