

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



July 20, 2010

Craigian 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 #10-007

Dear Dr. Gray:

We have reviewed the proposed amendment to the North Carolina Medicaid State Plan NC 10-007 that was received in the Regional Office on May 14, 2010. This amendment adds a new Targeted Case Management Service to be provided to individuals with mental illness and/or substance abuse disorders. This service will assist recipients to gain access to necessary care, medical, behavioral, social, and other services appropriate to their needs.

Page 4.19B, Section 19, Page 6 was submitted as a new plan page to implement the weekly case rate of \$81.25 effective July 1, 2010. This plan page was reviewed and approved to allow Medicaid to reimburse for Targeted Case Management Services provided to Individuals with Mental Illness and/or Substance Use Disorders.

Based on the information provided, we are pleased to inform you that Medicaid State Plan Amendment NC 10-007 was approved on July 16, 2010. The effective date of this amendment is July 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

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: HEALTH CARE FINANCING ADMINISTRATION		1. TRANSMITTAL NUMBER: 10-007	2. STATE NC
		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR HEALTH CARE FINANCING ADMINISTRATION DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE July 1, 2010	
5. TYPE OF PLAN MATERIAL (Check One): <input type="checkbox"/> NEW STATE PLAN <input checked="" type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input type="checkbox"/> AMENDMENT COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: SSA Section 1915(g)(1)		7. FEDERAL BUDGET IMPACT: a. FFY 2010 (\$ 8,933,938) b. FFY 2011 (\$71,471,502)	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Supplement 1 to Attachment 3.1-A-Part E, Part I, Page 1, Supplement 1 to Attachment 3.1-A-Part E, Part I, Page 2, Supplement 1 to Attachment 3.1-A-Part E, Part I, Page 3, Supplement 1 to Attachment 3.1-A-Part E, Part I, Page 4, Supplement 1 to Attachment 3.1-A-Part E, Part I, Page 5 and Attachment 4.1-B, Section 19, Page 6,		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): N/A	
10. SUBJECT OF AMENDMENT: TCM- Individuals with Mental Illness or Substance Use Disorders (MH/SA)			
11. GOVERNOR'S REVIEW (Check One): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: SECRETARY <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL: <i>[Signature]</i>		16. RETURN TO: Office of the Secretary Department of Health and Human Services 2001 Mail Service Center Raleigh, North Carolina 27699-2001	
13. TYPED NAME: Lanier M. Cansler			
14. TITLE: Secretary			
15. DATE SUBMITTED: 5/14/10			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: 05/14/10		18. DATE APPROVED: 07/16/10	
PLAN APPROVED – ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: 07/01/10		20. SIGNATURE OF REGIONAL OFFICIAL: <i>[Signature]</i>	
21. TYPED NAME: Jackie Glaze		22. TITLE: Associate Regional Administrator Division of Medicaid & Children's Health Opns	
23. REMARKS: Approved with the following changes to items 8 and 9 as authorized by State Agency on email dated 07/19/10. Block #8 Supplement 1 to Attachment 3.1-A-Part E, Part I, page 1, Supplement 1 to Attachment 3.1-A-Part I Page 2, Supplement 1 to Attachment 3.1-A-Part E, Part I Page 3, Supplement 1 to Attachment 3.1-A-Part E, Part I, Page 4, Supplement 1 to Attachment 3.1-A-Part E, Part I, Page 5, and Attachment 4.19-B, Section 19, Page 6. Changed to read: Block #8 Supplement 1 to Attachment 3.1-A-Part E, Part I, Page 1, Supplement 1 to Attachment 3.1-A-Part I Page 2, Supplement 1 to Attachment 3.1-A-Part E, Part I Page 3, Supplement 1 to Attachment 3.1-A-Part E, Part I, Page 4, Supplement 1 to Attachment 3.1-A-Part E, Part I, Page 5, Supplement 1 to Attachment 3.1-A-Part E, Part I, Page 6, and Attachment 4.19-B, Section 19, Page 6.			

State Plan under Title XIX of the Social Security Act
State/Territory: North Carolina

TARGETED CASE MANAGEMENT SERVICES
[Individuals with Mental Illness/Substance Use Disorders]

Target Group (42 Code of Federal Regulations 441.18(8)(i) and 441.18(9)):

In order to receive services, the individual must meet the defined entrance criteria.

1. (For recipients age 3 through 20): Has a serious emotional disturbance or substance use disorder.
2. (For recipients 21 and older) Has a severe and persistent mental illness or a substance use disorder.

X Target group includes individuals transitioning to a community setting. Case-management services will be made available for up to 60 consecutive days of a covered stay in a medical institution. Reimbursement is made to community case management providers rather than the medical institution, for these activities. The target group does not include individuals between ages 22 and 64 who are served in Institutions for Mental Disease or individuals who are inmates of public institutions). (State Medicaid Directors Letter (SMDL), July 25, 2000)

Areas of State in which services will be provided (§1915(g)(1) of the Act):

- X Entire State
___ Only in the following geographic areas:

Comparability of services (§§1902(a)(10)(B) and 1915(g)(1))

- ___ Services are provided in accordance with §1902(a)(10)(B) of the Act.
X Services are not comparable in amount duration and scope (§1915(g)(1)).

Definition of services (42 CFR 440.169): Targeted case management services are defined as services furnished to assist individuals, eligible under the State Plan, in gaining access to needed medical, social, educational and other services. Targeted Case Management includes the following assistance:

- ❖ Comprehensive assessment and periodic reassessment of individual needs, to determine the need for any medical, educational, social or other services. These assessment activities include
 - taking client history;
 - identifying the individual's needs and completing related documentation; and
 - gathering information from other sources such as family members, medical providers, social workers, and educators (if necessary), to form a complete assessment of the eligible individual;

The TCM recipient is assessed on an ongoing basis to determine if additional services or different services might be needed and at least annually as a part of the review of the individualized services plan, referred to as the Person Centered Plan.

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State Plan under Title XIX of the Social Security Act
State/Territory: North Carolina

TARGETED CASE MANAGEMENT SERVICES
[Individuals with Mental Illness/Substance Use Disorders]

Qualifications of providers (42 CFR 441.18(a)(8)(v) and 42 CFR 441.18(b)):

To provide TCM for persons with mental illness or substance use disorder, provider agencies must be certified as a Critical Access Behavioral Health Agency (CABHA). These provider agencies must have the capacity to assure quality and provide services according to North Carolina laws, policies and regulations. CABHAs will be certified by the DHHS and Local Management Entities (LMEs). Each provider must ensure that each case manager completes DHHS-approved targeted case management training within the first 90 days of hire.

Qualifications for Individual Case Managers: Case Managers under this State Plan must meet one of the following qualifications based on the target population being served:

1. currently licensed by the appropriate North Carolina licensure board as a Licensed Clinical Addiction Specialist, Licensed Clinical Social Worker, Licensed Marriage and Family Therapist, Licensed Professional Counselor, Psychiatrist, Licensed Psychologist or a Licensed Psychological Associate or;
2. a graduate of a college or university with a Masters degree in a human service field and has one year of full-time, post-graduate degree accumulated MH/DD/SAS experience with the population served or a substance abuse professional who has one year of full-time, post-graduate degree accumulated supervised experience in alcoholism and drug abuse counseling or;
3. a graduate of a college or university with a bachelor's degree in a human service field or an RN currently licensed by the NC Board of Nursing and has four years of full-time, post-bachelor's degree accumulated MH/DD/SAS experience with the population served, or a substance abuse professional who has two years of full-time, post-graduate degree accumulated supervised experience in alcoholism and drug abuse counseling or;

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State Plan under Title XIX of the Social Security Act

State/Territory: North Carolina

TARGETED CASE MANAGEMENT SERVICES

[Individuals with Mental Illness/Substance Use Disorders]

Payment (42 CFR 441.18(a)(4)):

Payment for case management or targeted case management services under the plan does not duplicate payments made to public agencies or private entities under other program authorities for this same purpose.

Case Records (42 CFR 441.18(a)(7)):

Providers maintain case records that document for all individuals receiving case management as follows: (i) The name of the individual; (ii) The dates of the case management services; (iii) The name of the provider agency (if relevant) and the person providing the case management service; (iv) The nature, content, units of the case management services received and whether goals specified in the care plan have been achieved; (v) Whether the individual has declined services in the care plan; (vi) The need for, and occurrences of, coordination with other case managers; (vii) A timeline for obtaining needed services; (viii) A timeline for reevaluation of the plan.

Limitations:

Case management does not include, and Federal Financial Participation (FFP) is not available in expenditures for, services defined in §441.169 when the case management activities are an integral and inseparable component of another covered Medicaid service (State Medicaid Manual (SMM) 4302.F).

Case management does not include, and Federal Financial Participation (FFP) is not available in expenditures for, services defined in §441.169 when the case management activities constitute the direct delivery of underlying medical, educational, social, or other services to which an eligible individual has been referred, including for foster care programs, services such as, but not limited to, the following: research gathering and completion of documentation required by the foster care program; assessing adoption placements; recruiting or interviewing potential foster care parents; serving legal papers; home investigations; providing transportation; administering foster care subsidies; making placement arrangements. (42 CFR 441.18(c))

FFP only is available for case management services or targeted case management services if there are no other third parties liable to pay for such services, including as reimbursement under a medical, social, educational, or other program except for case management that is included in an individualized education program or individualized family service plan consistent with §1903(c) of the Act. (§§1902(a)(25) and 1905(c))

Case management services may be provided by only a provider agency that is a certified Critical Access Behavioral Health Agency (CABHA). An individual may receive case management services from only one CABHA during any active authorization period for this service.

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State Plan Under Title XIX of the Social Security Act
Medical Assistance Program
State: North Carolina

Payments for Medical and Remedial Care and Services

E. Targeted Case Management For Children And Adults With Serious Emotional Disturbance, Or Severe And Persistent Mental Illness Or Substance Abuse Disorder (MH/SA-TCM)

Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of Targeted Case Management For Children And Adults With Serious Emotional Disturbance, Or Severe And Persistent Mental Illness Or Substance Abuse Disorder (MH/SA-TCM) . The agency's fee schedule rate of \$81.25 was set as of July 1, 2010 and is effective for services provided on or after that date. Except as otherwise noted in the plan, this weekly case rate shall be inflated forward by the Medicare Market Basket Index annually. The fee schedule is published on the agency's website at <http://www.ncdhhs.gov/dma/fee/fee.htm>.

This service will be provided by Critical Access Behavioral Health Agencies (CABHA) (as specified in Attachment 3.1-A.1, Page 7c.1a and Attachment 3.1-A.1, Page 15a, 13.d) enrolled in Medicaid that may be either private or public.

The case rate was developed using the MR/DD historical data containing fee for service claims data for T1017 HI from July 2006 through June 2009. An actuarially determined rate range was provided to the agency and a rate within this range was selected.

This service is not cost settled for any provider.

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