**North Carolina Department of Health and Human Services**
Michael F. Easley, Governor
Dempsey Benton, Secretary

**Division of Mental Health, Developmental Disabilities and Substance Abuse Services**
3001 Mail Service Center
Raleigh, North Carolina 27699-3001
Tel 919-733-7011• Fax 919-508-0951
Michael Moseley, Director

**Division of Medical Assistance**
2501 Mail Service Center
Raleigh, North Carolina 27699-2501
Tel 919-855-4100 • Fax 919-733-6608
William W. Lawrence, Jr., MD, Acting Director

November 8, 2007

**MEMORANDUM**

**TO:**

Legislative Oversight Committee Members
Local CFAC Chairs
NC Council of Community Programs
County Managers
State Facility Directors
LME Board Chairs
Advocacy Organizations
MH/DD/SAS Stakeholder Organizations
Commission for MH/DD/SAS
State CFAC
NC Assoc. of County Commissioners
County Board Chairs
LME Directors
DHHS Division Directors
Provider Organizations
NC Assoc. of County DSS Directors

**FROM:** **Dempsey Benton**

**SUBJECT:** **Suspension of New Enrollment of Community Support Services**

In February 2007, the Department of Health and Human Services announced an action plan to address the quality of Community Support Services provided across North Carolina. The activities of the initial plan included additional training for providers, clinical post payment reviews on all recipients receiving an average of 12 or more hours of Community Support a week, revisions to the endorsement checklists used by the Local Management Entities (LMEs) to determine that providers have the necessary qualifications to deliver the service, and some changes to the Community Support service definition. The plan also called for ongoing review to determine if additional activities would be necessary to ensure the quality of services provided.

Today, I released an updated comprehensive Community Support Plan which addresses the requirements of Session Law 2007-323 Section 10.49(ee) and includes additional initiatives to assure that recipients of community support services receive the highest level of quality.

As part of this plan effective immediately November 8, 2007, I am suspending the processing of all endorsement applications and Memoranda of Agreements (MOAs) by LMEs for providers of Community Support Child and Adult services (CSS). This suspension covers new providers who are considering initiating the process to provide Medicaid CSS for the first time as well as any proposed expansion of sites or expansions through MOAs by existing Medicaid providers to provide this service . The LMEs are responsible for endorsements of CSS and should continue to process decisions regarding conditionally endorsed providers enrolled with DMA.

Suspending future endorsement activities for new providers who are considering initiating the process to provide Medicaid covered CSS for the first time as well as any proposed expansion by existing Medicaid providers to provide this service will guarantee that actions to ensure the integrity of the program receive priority which will also positively impact the quality of services received by recipients and safeguard against the unnecessary utilization of this service. As endorsement is a requirement for enrollment, the suspension of endorsement activity will also impact the enrollment of new providers. This will help to assure stability in the service delivery system. Based on the information I have reviewed, this suspension will not negatively impact clients' access to this service. However, to avoid the possibility of an access issue, there is an exception process outlined below.

Regarding enrollment, if DMA has received your initial (new) application by the date of this letter it will be processed. Any initial (new) enrollment applications for the above services received after today's date will not be processed and will be returned to the provider. LMEs are instructed to suspend any further activity in completing provider endorsement for proposed new providers of Community Support Child and Adult services and for providers seeking proposed expansion to cover this service.

This suspension will remain in effect until other steps outlined in the plan are operational, which we expect at this point to be July 1, 2008. These tasks include the development of new provider qualifications for comprehensive service providers and the implementation of new Medicaid rules regarding training, provider enrollment, and termination.

I have directed the Division of Medical Assistance (DMA), in collaboration with the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services (DMH/DD/SAS) to review requests for exceptions to this suspension only in cases where the suspension may create an access to care issue, particularly in the area of adequacy of services for consumers with substance use disorders.

In order to be considered for an exception, providers must submit the following information to DMA, Office of Assistant Director of Clinical Policy, MSC 2501, Raleigh, NC 27699:

- A cover letter detailing the area and population to be served;
- A completed Medicaid provider enrollment application;
- For a current Medicaid provider, an attestation of good standing with DMA including no outstanding penalties, recoupments or plans of corrections; and
- A letter from the LME responsible for the area in which the provider proposes to deliver Community Support Services attesting to the need for an additional Community Support provider for the population which the provider proposes to serve.

DMA and DMH/DD/SAS will jointly review the requests for exceptions. If an exception is deemed to be warranted, the provider and the LME will be advised to proceed with the endorsement and enrollment process.

Questions regarding the suspension of enrollment of Community Support providers should be directed to Angela Floyd (919/855-4050 or Angela.Floyd@ncmail.net) at DMA. Questions regarding the suspension of the endorsement process or the exception process should be directed to Dick Oliver (919/715-1294 or Dick.Oliver@ncmail.net) in DMH/DD/SAS.

cc: William Lawrence, Jr., MD
Mike Moseley
Dan Stewart
Andrea Poole
DMA Deputy and Assistant Directors

Christina Carter
Sharnese Ransome
Wayne Williams
Mark Van Sciver

Marcia Copeland
Kaye Holder
Kory Goldsmith
Brad Deen
DMH/DD/SAS Executive Leadership Team