North Carolina Department of Health and Human Services
Division of Facility Services • Mental Health Licensure and Certification Section
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Michael F. Easley, Governor Carmen Hooker Odom, Secretary Stephanie M. Alexander, Chief

Memorandum

To: LME/Area Program Directors

From: Stephanie Alexander, Chief, Mental Health Licensure and Certification Section

Flo Stein, Chief, Community Policy Management Section, DMH/DD/SAS

Tara Larson, Assistant Director, Clinical Policies and Programs, DMA

Date: August 9, 2006

Re: Licensure for Substance Abuse Intensive Outpatient Programs (SAIOP) and Substance Abuse Comprehensive Outpatient Treatment (SACOT)

Effective April 1, 2006, there are two new licensure service categories:

10A NCAC 27G .4400: Substance Abuse Intensive Outpatient Programs (SAIOP)
10A NCAC 27G .4500: Substance Abuse Comprehensive Outpatient Treatment (SACOT)

The NC Administrative Rules can be found at the following web site: http://facility-services.state.nc.us/mhrulesbkord.htm

New Providers

Providers who are interested in becoming licensed for either of these service categories should submit a licensure application to the Division of Facility Services. Initial application packets can be downloaded from the following web site: http://facility-services.state.nc.us/mhforms.htm

Current Providers

There are currently two categories of providers operating SAIOP and/or SACOT under the service category 10A NCAC 27G .3700:

- Providers of .3700 with a waiver in place for reduced hours of operation allowed under SAIOP or SACOT. This waiver process was agreed upon between the Division of Facility Services, the Division of MH/DD/SAS, and the Division of Medical Assistance. The waiver was necessary prior to the implementation of the new rules, in order to allow payment for these services. This waiver will be invalid after December 31, 2006. As of January 1, 2007, providers who do not have a .4400 or .4500 license in place will not be able to provide or be reimbursed for these services.
- Providers of .3700 without a waiver in place, who were providing Day Treatment and/or SAIOP for 12 or more hours per week, and therefore did not require a waiver for reduced hours of operation (as per letter of 8/1/2002 from Jeff Horton and Jim Jarrard to MH/DD/SA Area Program Directors).

DFS Requirement Regarding Change in Service Category

Now that the new rules are in place, all providers operating SAIOP or SACOT licensed as .3700, must change service categories to .4400 or .4500 prior to the end of the renewal year which ends 12/31/2006. The renewal period begins October 1, 2006. Due to the high volume of renewal applications, it is strongly recommended that providers change their service category prior to submitting their renewal application. Changes must be processed before the renewal application can be processed in order for the new license to reflect the change in service category.

DMA Requirement Regarding Enrollment/Reimbursement

Providers operating under the waiver should apply to change service category as soon as possible. As of January 1, 2007, providers who do not have a .4400 or .4500 license in place will not be able to provide or be reimbursed for these services. Providers without a current license on file with the Division of Medical Assistance will be end dated. Any claims paid for dates of service after January 1, 2007 will be recouped. Providers should fax a copy of the new .4400 or .4500 license with a cover sheet indicating their Medicaid Provider Number to DMA Provider Enrollment 919-715-8548.

To prevent delays, please submit your change of service category application to the Division of Facility Services as soon as possible. This change application can also be found at the following website:
http://facility-services.state.nc.us/mhforms.htm

attachment
Cc: DMH/DD/SAS Executive Leadership Team
NC Council of Community Programs
Division of Social Services
Division of Medical Assistance
Dr. Allen Dobson
Angela Floyd
Tara Larson

Outline of Process for New and Current Providers of SAIOP and SACOT

Current License/Waiver/Program	Requested Program .4400 SAIOP or .4500 SACOT	Required Action by Facility
.3700, Providing Day Treatment and/or SAIOP	.4400: SAIOP and/or .4500: SACOT	▪ Submit change application for *addition* of service category (if still providing day treatment) and/or change to DFS before October 1, 2006. ▪ Complete and submit renewal application for DFS by 12/31/06. ▪ Submit new license to DMA if currently enrolled as a provider and LME if applicable for payment. ▪ Submit complete enrollment application to DMA if currently not enrolled as a provider for this service.
.3700, Current Waiver in Place for SAIOP	.4400: SAIOP	▪ Submit change application for change of service category to DFS before October 1, 2006. ▪ Complete and submit renewal application for DFS by 12/31/06. ▪ Submit new license to DMA if currently enrolled as a provider and LME if applicable for payment. ▪ Submit complete enrollment application to DMA if currently not enrolled as a provider for this service.
.3700, Current Waiver in Place for SACOT	.4500: SACOT	▪ Submit change application for change of service category to DFS before October 1, 2006. ▪ Complete and submit renewal application for DFS by 12/31/06. ▪ Submit new license to DMA if currently enrolled as a provider and LME if applicable for payment. ▪ Submit complete enrollment application to DMA if currently not enrolled as a provider for this service.
No License, want to provide SAIOP or SACOT	.4400: SAIOP or .4500 SACOT	▪ Submit initial application to DFS. ▪ Upon licensure, submit license to LME if applicable for payment. ▪ Submit complete enrollment application with endorsement to DMA.