QUARTERLY REPORT TO THE JOINT LEGISLATIVE OVERSIGHT COMMITTEE

ON

MENTAL HEALTH, DEVELOPMENTAL DISABILITIES AND SUBSTANCE ABUSE SERVICES

SESSION LAW 2001-437

April 1, 2008 to June 30, 2008

This quarterly report is submitted to the Legislative Oversight Committee in Mental Health, Developmental Disabilities and Substance Abuse Services (LOC), pursuant to the requirements of Session Law 2001-437. This report is for the months of April 1, 2008 to June 30, 2008 and provides information on major developments as the Division implements reform.

Section I: Major developments for this quarter include:

- Effective April 25, 2008, Gail West was appointed Acting Director of Black Mountain Neuro-Medical Treatment Center.
- As part of the Central Regional Hospital Transition Plan, administrative offices were moved to this facility during June 2 through 6, 2008. Michael Lancaster, M.D., was appointed as Interim Director of Central Regional Hospital and Mike Hennike, as Associate Director of the facility. Hennike was the former Chief of State Operated Services. Current Chief of State Operated Services, Dr. Jim Osberg, will also serve as Interim Director of Dorothea Dix Hospital, in order to allow the current administrator, Cliff Hood, to focus his full attention on the opening of Central Regional Hospital.
- Ron Kendrick was elected as the new Chairman of the State Consumer and Family Advisory Committee and Wilda Brown as the Vice-Chair for 2008-2010.
- The North Carolina Department of Health and Human Services, Division of Mental Health, Developmental Disabilities and Substance Abuse Services (NC DMH/DD/SAS), engaged Mercer Government Services Consulting to conduct an independent evaluation of the twenty-five (25) Local Management Entities (LMEs). The report was released on April 3-4, 2008. Mercer's Final Report on Potential Cost Savings was issued May 28, 2008. It is an analysis of the cost savings that could be achieved by consolidating business and non-business functions of the Local Management Entities (LMEs).

1. Communication Bulletins #091 through #095

- **Communication Bulletin #091** announced the DMH/DD/SAS Policy regarding qualifications of designated non-licensed substance abuse counseling professionals eligible for reimbursement through the Integrated Payment and Reporting System (IPRS) for state funded Y-code services. **(Bulletin dated May 5, 2008)**
- **Communication Bulletin #092** announced the transition plan for John Umstead and Dorothea Dix Hospitals to Central Regional Hospital. **(Bulletin dated May 8, 2008)**
- **Communication Bulletin #093** announced the presentation of the MH/DD/SAS Community Systems Progress Report for the State Fiscal Year 2007-08, Third Quarter. **(Bulletin dated June 2, 2008)**
- **Communication Bulletin #094** announced the availability of the DMH/DD/SAS Consumer Handbook which was developed to help the general public have greater access to information on the supports and services within the mental health, developmental disabilities and substance abuse services system. This handbook will be made available to all consumers, family members and the general public through the Local Management Entities and the DMH/DD/SAS website. **(Bulletin dated June 19, 2008)**
- **Communication Bulletin #095** announced the improvements made to the NC Treatment Outcomes and Program Performance System (NC-TOPPS). The new changes will be implemented on July 1, 2008, which included the following: shorter online consumer interviews, new printable interview forms, improved user enrollment process, and updated guidelines. **(Bulletin dated June 30, 2008)**

In addition to the Communication Bulletin Series, the Division released several Enhanced Services Implementation Updates to assist providers and consumers with the transition process. Three Implementation Updates were released, covering the following topics:

- **Implementation Update #42** announced the revision of the Community Support definition; and the calculation of the Qualified Professional Services provision on percentage requirements for Community Support Services. Implementation Update #42 also announced that Comprehensive Service Provider standards will not be implemented; however, benchmarks will be established related to agencies providing Community Intervention services. Updates were provided on ValueOptions Liaisons; the ValueOptions Web-Portal – Provider Connect; Intensive In-Home Services; and on Cost Reports. Under the Community Alternatives Program for Persons with Mental Retardation/Developmental Disabilities (CAP-MR/DD), guidelines were outlined regarding the Plan of Care submission to ValueOptions; clarification was provided on services requiring six months authorization; information was given regarding the availability of public

forums on CAP-MR/DD tiered waivers; and the Supports Intensity Scale Pilot Project was introduced.

- **Implementation Update #43** announced supports for the United States Supreme Court Olmstead decision; the De-Institutionalization of slot allocations; updates on the CAP-MR/DD Waiver; the Incident and Death Reporting requirements; guidance on the routing of Notification of Endorsement Action (NEA) submission for withdrawal of endorsements; the provider requirement regarding submitting updated Person Centered Plans (PCP) to ValueOptions; and the process outlined for Maintenance of Service authorizations specific to Therapeutic Foster Care and Targeted Case Management. Implementation Update #43 also announced compliance verification protocol for out-of-state enrollment of residential services; policies on provisionally licensed providers billing through physicians; requirements for halfway house and social setting detox services; and training on Alternatives to Restrictive Interventions and demonstrated competence in core areas for licensed professional in community facilities.
- **Implementation Update #44** announced the establishment of a Case Management Workgroup; provided a CAP-MR/DD Update; and supplied information regarding Unmanaged Visits for Community Support. ValueOptions will address Retro-Eligibility Authorizations, and provide clarification regarding the Community Support Service 25 Percent Aggregate Service. In addition, Implementation Update #44 announced steps taken to ensure successful implementation of the National Provider Identifier (NPI) and policies regarding the Behavioral Health Services Provided by Provisionally Licensed Professionals in a Physician's Office.

2. Services and Programs

- **Division Training: A** Consumer and Family Advisory Committees (CFAC) Leadership Training held in Winston-Salem, NC on June 6-7, 2008.
- **Waivers:** No significant changes in waivers occurred during this quarter.

3. Rule Changes

The Commission on MH/DD/SAS approved the following rules for further action by the Rules Review Commission:

- Proposed Adoption of 10A NCAC 27I .0400 – Secretary Approval of LME Service Delivery
- Proposed Adoption of 10A NCAC 28F .0214 – LME Utilization of State Hospitals
- Proposed Adoption of 10A NCAC 27G .7100 – Target Populations
- Proposed Adoption of 10A NCAC 27I .0500 – Local Business Plan
- Proposed Adoption of 10A NCAC 27G .0406 – Letter of Support Required for Licensure of Residential Facilities

- Proposed Adoption of 10A NCAC 27G .0211 – Provider Accreditation
- Proposed Adoption of 10A NCAC 27I .0102 and .0201 – LME Accreditation
- Proposed Adoption of 10A NCAC 27G .0700 – LME Response to Complaints
- Proposed Adoption of 10A NCAC 27G .7004 – Appeals Regarding Utilizations Review Decisions for Non-Medicaid Services

4. Developing Community Capacity

- The Report on The Future Role and Capacity of Developmental Centers was submitted on April 1, 2008 to the Senate Appropriations Committee on Health and Human Services, House of Representatives Appropriations Subcommittee on Health and Human Services and the Fiscal Research Division.
- The Services to Multiply Diagnosed Adults Report was submitted to the Senate Appropriations Committee on Health and Human Services, House of Representatives Appropriations Subcommittee on Health and Human Services, Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities and Substance Abuse Services and the Fiscal Research Division on May 1, 2008.
- The Semi-Annual Report to the Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities and Substance Abuse Services for State Fiscal Year 2007-08: Spring Report (Mental Health, Developmental Disabilities and Substance Abuse Services Statewide System Performance Report) was submitted on April 1, 2008.
- The Comprehensive Treatment Services Program Report was submitted to the Senate Appropriations Committee on Health and Human Services, House of Representatives Appropriations Subcommittee on Health and Human Services, Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities and Substance Abuse Services and the Fiscal Research Division on April 1, 2008.
- The Olmstead Report was submitted on May 1, 2008 to the Senate Appropriations Committee on Health and Human Services, House of Representatives Appropriations Subcommittee on Health and Human Services, Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities and Substance Abuse Services and the Fiscal Research Division.
- The Monthly Report on Community Support Services, a report to the Senate Appropriations Committee on Health and Human Services, House of Representatives Appropriations Subcommittee on Health and Human Services and Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities and Substance Abuse Services was submitted by the North Carolina Department of Health and Human Services on April 30, 2008, May 30, 2008 and June 30, 2008.

- The 2007 Annual Report on the Review of the North Carolina Department of Correction, Division of Alcoholism and Chemical Dependency Programs and Division of Prisons – Health Services, Mental Health Section, as required by General Statute 148-19(d) was submitted on June 30, 2008. The 2006 Annual Report was attached as an Addendum.
- The Local Management Entities (LMEs) Crisis Services Plans Report was submitted on May 30, 2008 to the Senate Appropriations Committee on Health and Human Services, House of Representatives Appropriations Subcommittee on Health and Human Services, Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities and Substance Abuse Services and the Fiscal Research Division.