



January 1, 2026

MEMORANDUM

TO: Local Management Entities/Managed Care Organizations (LME/MCOs)

FROM: Kelly Crosbie

RE: State-Funded Substance Use Disorder Service Definition and Rate Updates

The Division of Mental Health, Developmental Disabilities and Substance Use Services is announcing updates to several substance use disorder-related service definitions and their corresponding reimbursement rates. These changes aim to ensure clarity, consistency, and alignment with current standards for service delivery and funding.

This bulletin applies to the following State-funded Substance Use Disorder Service Definitions:

- State-Funded Clinically Managed Low-Intensity Residential Treatment Services
- State-Funded Enhanced Mental Health and Substance Use Service, Clinically Managed Residential Withdrawal Management
- State-Funded Clinically Managed Population Specific High-Intensity Residential Program
- State-Funded Clinically Managed Residential Services
- State-Funded Medically Monitored Intensive Inpatient Services
- State-Funded Substance Abuse Comprehensive Outpatient Treatment (SACOT)
- State-Funded Substance Abuse Intensive Outpatient Program (SAIOP)

The effective date of these revised service definitions is January 1, 2026.

Providers should review the updated definitions and rates carefully to ensure compliance and accurate billing under the new guidelines. The updated policies can be found on the DMH/DD/SUS website at: [NCDHHS: Service Definitions](#)

Please note: Some of the revised service definitions may require providers to obtain a waiver from the Division of Health Service Regulations (DHSR). Information regarding the need for providers to request waivers were sent by DHSR to all current providers. Information regarding the waiver process can be found at: [NCDHHS DHSR: Mental Health Licensure and Certification Section](#)

Updates to the corresponding rates will also be reflected in NCTracks with effective dates of January 1, 2026.

If you have any questions, please contact Tracy Ginn at Tracy.Ginn@dhhs.nc.gov or 984-236-5075.