



NC DEPARTMENT OF  
**HEALTH AND  
HUMAN SERVICES**

**ROY COOPER** • Governor  
**MANDY COHEN, MD, MPH** • Secretary  
**DAVE RICHARD** • Deputy Secretary for NC Medicaid  
**KODY H. KINSLEY** • Deputy Secretary for Behavioral Health and Intellectual/Developmental Disabilities

**LME-MCO Joint Communication Bulletin # J383**

**Date:** December 4, 2020  
**To:** Local Management Entities-Managed Care Organizations (LME-MCOs)  
**From:** Renee Rader, Assistant Director for Policy and Programs, DMH/DD/SAS  
Deb Goda, Behavioral Health Unit Manager, NC Medicaid  
**Subject:** Home and Community Based Services Validation Update

On [July 14, 2020](#), the Centers for Medicare and Medicaid Services (CMS) announced an extended timeframe for states to demonstrate compliance with Home and Community Based Services (HCBS) settings requirements due to the COVID-19 pandemic. This extension allows states an additional year, through March 17, 2023, to demonstrate that their existing HCBS settings comply with the Settings Rule.

The NC Innovation and NC TBI Waiver Medicaid 1915(c) Appendix K Waiver Flexibilities allow for telehealth to be used for Care Coordination monitoring. However, the requirement within the NC HCBS Statewide Transition Plan for in-person monitoring has caused delays to the state's HCBS Validation processes. DHHS has adjusted the following applicable timelines:

- **May 31, 2021** - Validation Quarterly Reporting Tool (Final Submission) due to DHHS HCBS Internal Team
- **July 30, 2021** - Extended due date for HCBS Validation concluding all LME-MCO/CAP-DA HCBS activities (i.e., technical assistance for providers of non-compliant HCBS sites)
- **Oct. 1, 2021** - Re-posting of Statewide Transition Plan for 30-day public comment
- **Dec. 1, 2021** - Re-submit Statewide Transition Plan for final approval to CMS

It is critical that person-centered planning, individual choice and efforts to comply with the HCB settings rule continue to be at the forefront of our service delivery system. The decision has been made to uphold the current HCBS Standard Operating Procedures (SOP) timelines. DHHS continues to assess overarching HCBS compliance timelines. DHHS recognizes the impact of COVID-19 response efforts and will honor timeline extension requests established within the [HCBS SOP: Manual & Guidance](#).

**NC DEPARTMENT OF HEALTH AND HUMAN SERVICES**

**NC MEDICAID • DIVISION OF HEALTH BENEFITS**

LOCATION: 1985 Umstead Drive, Kirby Building, Raleigh, NC 27603  
MAILING ADDRESS: 2501 Mail Service Center, Raleigh, NC 27699-2001  
www.ncdhhs.gov • TEL: 919-855-4100 • FAX: 919-715-9451

**DIVISION OF MENTAL HEALTH, DEVELOPMENTAL  
DISABILITIES AND SUBSTANCE ABUSE SERVICES**

MAILING ADDRESS: 3001 Mail Service Center, Raleigh, NC 27699-3001  
www.ncdhhs.gov • TEL: 919-733-7011 • FAX: 919-508-0951

AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

It is expected that all processes established through the HCBS Statewide Transition Plan and the HCBS SOP will continue without interruption. This includes:

- HCBS Provider Self-Assessments
- HCBS Validation Look-Behind
- Heightened Scrutiny
- Master Index Requests
- My Individual Experience (MIE) Surveys
- MIE Threshold Reports
- Undeliverable Email Updates

The DHHS HCBS Internal Team will make every effort to continue reviewing CMS guidelines, the NC Statewide Transition Plan, and timelines established within the HCBS SOP: Manual & Guidance.

If you have any questions, please contact the DHHS HCBS Internal Team at [HCBSTransPlan@dhhs.nc.gov](mailto:HCBSTransPlan@dhhs.nc.gov).

Previous bulletins can be accessed at:

[www.ncdhhs.gov/divisions/mhddsas/joint-communication-bulletins](http://www.ncdhhs.gov/divisions/mhddsas/joint-communication-bulletins)

cc: Kody Kinsley, Behavioral Health & I/DD  
Victor Armstrong, DMH/DD/SAS  
Dave Richard, NC Medicaid  
Jay Ludlam, NC Medicaid  
Helen Wolstenholme, DSOHF  
NC Medicaid Leadership Team  
DMH/DD/SAS Leadership Team