



NC DEPARTMENT OF  
**HEALTH AND  
HUMAN SERVICES**

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**LME/MCO Joint Communication Bulletin # J435**

**DATE:** October 12, 2022

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

**FROM:** Renee Rader, Assistant Director, Policy and Programs, DMH/DD/SAS  
Deb Goda, Associate Director, Behavioral Health and I/DD, NC Medicaid  
Sam Hedrick, Senior Advisor, ADA and Olmstead, DHHS

**SUBJECT:** Transitions to Community Living (TCL) Employment Incentive Plan

The Transitions to Community Living (TCL) Settlement Agreement lists supported employment as a vital service to support people with serious mental illnesses (SMI) in community-based housing. The Settlement Agreement requires provision of supported employment services to individuals with SMI who reside in or are at risk of entering congregate living facilities.

State services data and reports from the Independent Reviewer continue to indicate low rates of enrollment in the Individual Placement and Support (IPS) service and low rates of competitive, integrated employment (CIE) for TCL members, including individuals receiving In-Reach services and those in diversion, as well as individuals living in community-based housing, with or without TCL housing slots.

The Department of Health and Human Services (DHHS) is committed to improving access to supported employment services and opportunities for competitive, integrated work in the community for TCL members before the expected settlement end date of June 30, 2023.

To this end, the Division of Mental Health, Development Disabilities and Substance Abuse Services (DMH/DD/SAS) developed an employment incentive plan that will be incorporated effective Oct. 1, 2022, into the TCL incentive plan developed by the DHHS TCL/Olmstead office.

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The employment incentive will provide a payment to the LME/MCOs (future Behavioral Health I/DD Tailored Plans) each quarter for achieving established targets for performance measures which include:

- IPS service provision for TCL participants in pre-housing or community housing statuses
- IPS service provision for TCL participants in supportive housing
- Competitive, integrated employment rates for TCL participants in supportive housing

LME/MCOs (future Tailored Plans) will submit quarterly employment performance measures to the DMH/DD/SAS at [IPS.incentive@dhhs.nc.gov](mailto:IPS.incentive@dhhs.nc.gov) on the **seventh** day of the month following the end of each state fiscal year quarter, beginning Jan. 7, 2023. DMH/DD/SAS will track and submit quarterly employment data to the TCL/Olmstead office for payment to the LME/MCO for measures that meet or exceed the established quarterly performance target.

DMH/DD/SAS will validate quarterly IPS service rates data by generating a service claims report at the end of the lag period (up to six months) following each quarter by reviewing Division of Vocational Rehabilitation or provider records submitted by the LME/MCO (future Tailored Plan) to demonstrate provision of services under the NC Collaborative for Ongoing Recovery through Employment (CORE) value-based model.

Please see the attached TCL Employment Incentive Plan workbook for more information.

If you have any questions, please contact Nicole Ness at 984-236-5058 or [nicole.ness@dhhs.nc.gov](mailto:nicole.ness@dhhs.nc.gov) or Margaret Herring at 984-236-5057 or [Margaret.herring@dhhs.nc.gov](mailto:Margaret.herring@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)

Attachment: TCL Employment Incentive Plan Workbook

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