

**North Carolina Department of Health and Human Services
Division of Aging and Adult Services**

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Beverly Eaves Perdue, Governor
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919-733-3983

January 14, 2011

DEAR COUNTY DIRECTOR OF SOCIAL SERVICES

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**ATTENTION: Special Assistance Supervisors
Adult Services Supervisors**

SUBJECT: Unlicensed Facilities with Special Assistance Residents

The Division of Aging and Adult Services (DAAS) has verified the final list of adult care and supervised living facilities which have not renewed their licenses for 2011. You are receiving this letter since there are facilities in your county that are on this list. License renewals by State law, must be postmarked no later than December 31 of the prior year to obtain a license renewal effective January 1 of the following year. DAAS has notified all adult care homes, family care homes, and 5600(A) and 5600(C) supervised living mental health facilities where license renewal applications were not postmarked by December 31, 2010 that they may not accept Special Assistance (SA) funds unless they are duly licensed per North Carolina Statute 108A-41 and NC Administrative Code 10 NCAC 71P. 0202.

DAAS has identified SA recipients living in these unlicensed facilities. The facilities have been notified via the letters found in Attachment 2 to this letter, that they will be contacted by the county department of social services where the SA case originates, and that they will be required to repay SA funds at a daily rate beginning January 1, 2011 until the facility is licensed or the resident receiving SA vacates the unlicensed facility. The facilities were also informed that SA

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for their residents will be terminated. DAAS has also notified the Division of Medical Assistance about this communication.

We are requesting county SA income maintenance caseworkers take the following actions immediately:

1. Check the EIS Facility Inquiry Screen to verify 2011 licensure status and facility code. Some facilities may submit late license renewals. The new license effective date will be after January. Generally this creates a new EIS facility inquiry screen and a new facility code.
2. Contact the facility to inform them that they must repay SA funds for the days for which they were not licensed. Calculate the per diem payment based upon the individual case payment minus the personal needs allowance and divide by the number of days in the month.

Example: The facility did not submit license renewal by December 31, 2010. The new license was effective January 20. The resident receives an SA payment of \$350 per month. Subtract the \$46 personal needs allowance from the SA payment. Divide the balance by 31 days for January 2011. The January 2011 per diem is \$9.81 per day. The facility owes the State/County a total of 19 days at the per diem of \$9.81 for the SA payment or \$186.39. The county will notify the facility of the repayment amount. The county will then reimburse the State its portion of the SA payment via form 8201.

If the facility has not renewed its license, count the per diem until the SA case is terminated or the SA resident moves to a licensed facility.

NOTE: The Division of Health Service Regulation may issue a temporary license for six months or less. If the license will expire prior to December 31, 2011, flag the case for one month prior to the license expiration date and take appropriate action.

3. Special Assistance recipients residing in facilities remaining unlicensed and their representatives must be sent a manual timely notice of termination with an effective date of February 28, 2011. The reason is: **“You are no longer residing in a licensed SA approved facility.”** The SA policy reference is: SA-3100 III. which states: **“In order to receive SA an applicant or recipient must reside in a licensed facility authorized to receive SA payments, except for temporary absence not expected to exceed 30 days.”**

When the SA termination notice is sent, it is important for the County DSS to offer assistance to the recipient and/or his/her representative to find suitable placement in a duly licensed SA approved facility. The income maintenance case worker must also assess the recipient for continuing Medicaid eligibility prior to termination of the SA case.

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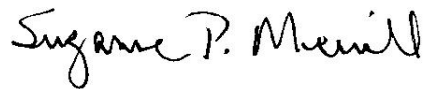
Enclosed with this letter, please find a total of two attachments:

- Attachment 1: CASE LIST
 - EIS IDs of clients residing in facilities which have not renewed their licenses, county name where case originates and facility name and address.
 - The facilities on this list have received the letter in Attachment 2

- Attachment 2: LETTERS TO UNLICENSED FACILITIES
 - Attachment 2-A: adult care homes/family care homes
 - Attachment 2-B: supervised living/mental health facilities.

If you have questions or need assistance please contact the SA Unit staff, Chris Urso, Brenda Porter and Angie Phillips at specialassistance@dhhs.nc.gov.

Sincerely,



Suzanne P. Merrill, Chief
Adult Services Section

cc: Division of Health Service Regulation, Adult Care Licensure Section and Mental Health Licensure Section; Division of Medical Assistance

SM/cu

AFS-2-2011

Attachments