

**North Carolina,
Division of Mental Health, Developmental Disabilities,
and Substance Use Services**

**State-Funded Substance Abuse Comprehensive Outpatient
Treatment (SACOT)**

Date of Amendment- January 1, 2026



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Related State-Funded Clinical (Service Definitions) Policies

Refer to <https://www.ncdhhs.gov/providers/provider-information/mental-health-development-disabilities-and-substance-use-services/service-definitions> for the related coverage policies listed below:

State-Funded, Telehealth, Virtual Communications and Remote Patient Monitoring
State-Funded Mental Health and Substance Abuse Services
State-Funded, Community Support Team (CST)
State-Funded, Diagnostic Assessment
State-Funded, Assertive Community Treatment (ACT)
State-Funded, Inpatient Behavioral Health Services
State-Funded, Outpatient Behavioral Health Services
State-Funded, Residential Treatment Services
State-Funded, Peer Support Services

1.0 Description of the Procedure, Product, or Service

Substance Abuse Comprehensive Outpatient Treatment (SACOT) is a clinically intensive partial hospitalization program that provides skilled treatment services in a structured outpatient recovery environment, for a beneficiary 18 years of age and older with a primary substance use disorder (SUD) diagnosis.

SACOT is an American Society of Addiction Medicine (ASAM), Third Edition, Level 2.5 service that provides 20 or more hours of clinically intensive programming per week, as specified in the beneficiary's Person-Centered Plan (PCP). SACOT services consist of individual, group, and family counseling, medication management through consultation and referral, and service coordination activities. In addition, SACOT must include access to psychiatric, medical, and laboratory services, educational groups, and other therapies.

Services are provided in the amounts, frequencies, and intensities appropriate to the objectives of the beneficiary's PCP. SACOT services can be provided during the day, weekend, or evening.

1.1 Definitions

The ASAM Criteria, Third Edition¹

The American Society of Addiction Medicine Criteria is a comprehensive set of treatment standards for addictive, substance-related, and co-occurring conditions. The ASAM Criteria, Third Edition uses six dimensions to create a holistic, biopsychosocial assessment to be used for service planning and treatment. The six dimensions are:

1. Acute Intoxication and Withdrawal Potential;
2. Biomedical Conditions and Complications;
3. Emotional, Behavioral, or Cognitive Conditions and Complications;
4. Readiness to Change;
5. Relapse, Continued Use, or Continued Problem Potential; and
6. Recovery and Living Environment.

¹ CPT codes, descriptors, and other data only are copyright 2024 American Medical Association. All rights reserved.

Medication Assisted Treatment (MAT)

As defined by the Substance Abuse and Mental Health Services Administration (SAMHSA), Medication Assisted Treatment (MAT) is “the use of medications, in combination with counseling and behavioral therapies, to provide a ‘whole patient’ approach to the treatment of substance use disorders. Medications used are approved by the Food and Drug Administration (FDA) and are clinically driven and tailored to meet each beneficiary’s needs.”

Telehealth

Per State-Funded Clinical Service Definition Policy, **Telehealth, Virtual Communications and Remote Patient Monitoring**, “Telehealth is the use of two-way real-time interactive audio and video to provide and support health care services when participants are in different physical locations.”

2.0 Eligibility Requirements

2.1 Provisions

2.1.1 General

(The term “General” found throughout this policy applies to all policies)

- a. An eligible individual shall be enrolled with the LME/MCO on or prior to the date of service, meet criteria for a State-Funded Benefit Plan and shall meet the criteria in **Section 3.0** of this policy.
- b. Provider(s) shall verify each individual’s eligibility each time a service is rendered.

2.1.2 Specific

(The term “Specific” found throughout this policy only applies to this policy)

State-Funds shall cover Substance Abuse Comprehensive Outpatient Treatment for an eligible beneficiary who is 18 years of age and older and meets the criteria in **Section 3.0** of this policy.

3.0 When the Procedure, Product, or Service Is Covered

3.1 General Criteria Covered

State-Funds shall cover the procedure, product, or service related to this policy when medically necessary, and:

- a. the procedure, product, or service is individualized, specific, and consistent with symptoms or confirmed diagnosis of the illness or injury under treatment, and not in excess of the beneficiary’s needs;
- b. the procedure, product, or service can be safely furnished, and no equally effective and more conservative or less costly treatment is available statewide; and

- c. the procedure, product, or service is furnished in a manner not primarily intended for the convenience of the beneficiary, the beneficiary's caretaker, or the provider.

3.1.1 Telehealth

- a. Services within this clinical coverage policy may be provided via telehealth. Services delivered via telehealth must follow the requirements and guidance in Clinical (Service Definitions) Policy **State-Funded Telehealth, Virtual Communications and Remote Patient Monitoring**, at <https://www.ncdhhs.gov/providers/provider-information/mental-health-development-disabilities-and-substance-use-services/state-funded-service-definitions>.
- b. The determination to provide services via telehealth must be for the benefit of the beneficiary with a signed attestation of beneficiary choice.
- c. A provider shall consider and document the beneficiary's behavioral, physical, and cognitive abilities to participate in services provided via telehealth. Documentation must include the individual's SUD treatment and recovery needs, including appropriateness of their recovery environment for telehealth services.
- d. A beneficiary is not required to seek services through telehealth and shall have access to in person services.
- e. Services must be available in person at least five (5) days per week.

3.2 Specific Criteria Covered

3.2.1 Specific Criteria Covered by State-Funds

State-Funds shall cover SACOT services when the beneficiary meets the following specific criteria:

- a. has a current substance use disorder (SUD) diagnosis as defined by the Diagnostic and Statistical Manual of Mental Disorders Fifth Edition Text Revision (DSM-5-TR) or any subsequent editions of this reference manual; and
- b. meets the American Society of Addiction Medicine (ASAM) Level 2.5 Substance Abuse Comprehensive Outpatient Treatment (SACOT) admission criteria as defined in the ASAM Criteria, Third Edition, 2013.

3.2.2 Admission Criteria

A comprehensive clinical assessment (CCA) or diagnostic assessment (DA) must be completed by a licensed professional to determine an ASAM level of care for admission and discharge planning. The CCA or DA, which demonstrates medical necessity, must be completed prior to the provision of this service. If a substantially equivalent assessment is available, reflects the current level of functioning, and contains all the required elements as outlined in community practice standards as well as in all applicable federal and state requirements, it may be used as part of the current CCA or DA. Relevant diagnostic information must be obtained and documented in the beneficiary's Person-Centered Plan (PCP). The assessment and PCP must be updated as changes and new strengths and barriers are observed during the treatment process.

A service order for SACOT must be completed by a physician, physician assistant, nurse practitioner, or licensed psychologist according to their scope of practice, prior to or on the first day that SACOT services are provided. Refer to **Section 5.4** for service order requirements.

The amount, duration, frequency, and intensity of SACOT services must be documented in the beneficiary's PCP. Services must not be offered less frequently than the structured program set forth in the service description in **Section 1.0** of this policy.

3.2.3 Continued Stay Criteria

Each of the six dimensions of the ASAM criteria must be reviewed and documented in the beneficiary's service record to document the determination for continued stay, discharge, or transfer to another level of care.

- a. The beneficiary meets the criteria for continued stay at the present level of care if any ONE of the following applies:
 1. The beneficiary has achieved initial PCP goals and requires this present level of care in order to meet additional goals;
 2. The beneficiary is making some progress, but hasn't achieved goals yet, so continuing at the present level of care is indicated;
 3. The beneficiary is not making progress, is regressing, or new symptoms have been identified and the beneficiary has the capacity to resolve these problems; or
 4. The beneficiary is actively working towards goals so continuation at the present level of care is indicated, and the PCP must be modified to identify more effective interventions.

3.2.4 Transition and Discharge Criteria

- a. The beneficiary meets the criteria for transition or discharge if any ONE of the following applies:
 1. The substance use disorder (SUD) signs and symptoms are resolved such that the beneficiary can participate in self-directed recovery or ongoing treatment without the need for SACOT services;
 2. The signs and symptoms of SUD have failed to respond to treatment, and have intensified, indicating a transfer to a more intensive level of SUD treatment services is indicated; or
 3. The beneficiary or their legally responsible person requests a discharge from the service.

Note: Each of the six dimensions of the ASAM criteria must be reviewed and documented in the beneficiary's service record to document the determination for continued stay, discharge, or transfer to another level of care.

4.0 When the Procedure, Product, or Service Is Not Covered

4.1 General Criteria Not Covered

State-Funds shall not cover the procedure, product, or service related to this policy when:

- a. the beneficiary does not meet the eligibility requirements listed in **Section 2.0**;
- b. the beneficiary does not meet the criteria listed in **Section 3.0**;
- c. the procedure, product, or service duplicates another provider's procedure, product, or service; or
- d. the procedure, product, or service is experimental, investigational, or part of a clinical trial.

4.2 Specific Criteria Not Covered

4.2.1 Specific Criteria Not Covered by State Funds

State-Funds shall not cover these activities:

- a. Transportation for the beneficiary or family members;
- b. Any habilitation activities;
- c. Time spent doing, attending, or participating in recreational activities unless tied to specific planned social skill building or therapy;
- d. Clinical and administrative supervision of SACOT staff, which is covered as an indirect cost and part of the rate;
- e. Covered services that have not been rendered;
- f. Childcare services or services provided as a substitute for the parent or other individuals responsible for providing care and supervision;
- g. Services provided to teach academic subjects or as a substitute for education personnel;
- h. Interventions not identified on the beneficiary's PCP;
- i. Services provided to children, spouse, parents, or siblings of the beneficiary under treatment or others in the beneficiary's life to address problems not directly related to the beneficiary's needs and not listed on the PCP; and
- j. Payment for room and board.

4.2.2 State-Funds Additional Criteria Not Covered

None Apply.

5.0 Requirements for and Limitations on Coverage

5.1 Prior Approval

State Funds shall not require prior approval for Substance Abuse Comprehensive Outpatient Treatment (SACOT).

5.2 Prior Approval Requirements

5.2.1 General

None Apply.

5.2.2 Specific

None Apply.

5.3 Additional Limitations

A beneficiary can receive SACOT services from only one provider organization during an episode of care. A beneficiary may receive Peer Support Services in the same episode of care as SACOT.

SACOT must not be provided and billed during the same episode of care (except on the day of admission or discharge) as:

- a. Substance Abuse Intensive Outpatient Program (SAIOP)
- b. Individual, family or group therapy for treatment of substance use disorder
- c. Clinically Managed Residential Withdrawal Management (ASAM Criteria, Level 3.2 WM)
- d. Medically Monitored Inpatient Withdrawal Management (ASAM Criteria, Level 3.7 WM)
- e. Clinically Managed Population-Specific High-Intensity Residential Programs (ASAM Criteria, Level 3.3)
- f. Clinically Managed Residential Services (ASAM Criteria, Level 3.5)
- g. Medically Monitored Intensive Inpatient Services (ASAM Criteria, Level 3.7)
- h. Psychiatric residential treatment facilities
- i. Partial Hospitalization (PH)

5.4 Service Order

A service order is a mechanism to demonstrate medical necessity for a service and is based upon an assessment of the beneficiary's needs. A signed service order must be completed by a physician, physician assistant, nurse practitioner, or licensed psychologist per their scope of practice. A service order is valid for twelve (12) months. Medical necessity must be revisited, and service must be ordered at least annually, based on the date of the original service order.

ALL the following apply to a service order:

- a. Backdating of the service order is not allowed;
- b. Each service order must be signed and dated by the authorizing professional and must indicate the date on which the service was ordered; and
- c. A service order must be in place prior to or on the first day that the service is initially provided, to bill State-Funds for the service. Even if the beneficiary is retroactively eligible for State-Funds, the provider shall not bill State-Funds without a valid service order.

5.5 Documentation Requirements

The service record documents the nature and course of a beneficiary's progress in treatment. To bill State-Funds, a provider shall ensure that their documentation is consistent with the requirements contained in this policy. The staff member who provides the service is responsible for accurately documenting the services

billed to and reimbursed by State-Funds. Service notes must meet the requirements of the DHHS Records Management and Documentation Manual.

6.0 Provider(s) Eligible to Bill for the Procedure, Product, or Service

To be eligible to bill for the procedure, product, or service related to this policy, the provider(s) shall:

- a. meet State-Fund qualifications for participation;
- b. have a current and signed Department of Health and Human Services (DHHS) Provider Administrative Participation Agreement; and
- c. bill only for procedures, products, and services that are within the scope of their clinical practice, as defined by the appropriate licensing entity.

6.1 Provider Qualifications and Occupational Licensing Entity Regulations

SACOT services must be delivered by a provider employed by an organization that:

- a. meets the provider qualification policies, procedures, and standards established by NC Division of MH/DD/SUS
- b. meets the requirements of 10A NCAC 27G or federal regulations;
- c. demonstrates that it meets these standards by being credentialed and contracted by the DHHS designated contractor;
- d. adheres to the service-specific checklist which includes the following:
 1. Rules for Mental Health, Developmental Disability, and Substance Use Facilities and Services
 2. Confidentiality Rules
 3. Client Rights Rules in Community MH/DD/SU Services
 4. *Records Management and Documentation Manual*
 5. DMH/DD/SUS Communication Bulletins
 6. Implementation Updates to rules, revisions, and policy guidance
 7. *Person-Centered Planning Instruction Manual*
 8. DMH/DD/SUS NC Tracks Benefit Plan Criteria
- e. achieves national accreditation with at least one of the designated accrediting agencies within one (1) year of enrollment as a provider with the LME/MCO; and
- f. becomes established as a legally constituted entity capable of meeting all the requirements of the Provider Certification Enrollment Agreement, DMH/DD/SUS Bulletins, and service implementation standards.

This service must be provided in a facility licensed by the [NC Division of Health Service](#)

[Regulation Mental Health Licensure and Certification Section](#) under 10A NCAC 27G

.4400 Substance Abuse Intensive Outpatient Program licensure rules waiver.

Providers and organizations that provide SACOT shall provide crisis response 24-hours-a-day, seven-days-a-week, to a beneficiary who is receiving SACOT services, either in person, via telehealth, or telephonically based on the beneficiary's need.

6.2 Provider Certifications

Staffing Requirements

Required Position	Minimum Qualifications	Responsibilities
Clinical Supervisor	Licensed Clinical Addictions Specialist (LCAS), Certified Clinical Supervisor (CCS), or Clinical Supervisor Intern (CSI) Clinical Supervisor position may be divided by up to two staff. Shall be licensed and in good standing with the NC Addictions Specialist Professional Practice Board.	The Clinical Supervisor is responsible for clinical oversight of the program, providing direct clinical care and ensuring that staff supervision is in place. The Clinical Supervisor manages admissions, service provision, and discharges, ensuring that the program is adhering to the policy, rules, and statutes.
Licensed Clinical Staff	The Licensed Clinical Staff shall meet one of the following: Be a LCAS or LCAS-A with a valid license from the NC Addictions Specialist Professional Practice Board; Be a Licensed Clinical Social Worker (LCSW) or Licensed Clinical Social Worker Associate (LCSWA) with a valid license from the NC Social Work Certification and Licensure Board; Be a Licensed Clinical Mental Health Counselor (LCMHC) or Licensed Clinical Mental Health Counselor Associate (LCMHCA) with a valid license from the NC Board of Licensed Clinical Mental Health Counselors;	The Licensed Clinical Staff is responsible for providing substance use focused and co-occurring assessment services and developing an ASAM Level of Care determination. The Licensed Clinical Staff provides treatment services, referral, and coordinates medically necessary substance use disorder treatment and recovery resources, and coordinates with Care Management provider(s) to ensure the beneficiary is informed about benefits, community resources, and services.

	Be a Licensed Marriage and Family Therapist (LMFT) or Licensed Marriage and Family Therapist Associate (LMFTA) with a valid license from the NC of Marriage and Family Therapy Licensure Board; or Be a Licensed Psychologist with a valid license from the NC Psychology Board.	
Certified Clinical Staff	CADC, CADC-I, Registrant (Alcohol and Drug Counselor)* Must be licensed and in good standing with the NC Addictions Specialist Professional Practice Board. *A Registrant must: • meet the requirements for a Paraprofessional, Associate Professional (AP), or Qualified Professional (QP); and • be designated as an Alcohol and Drug Counselor Intern by the NCASPPB within one year of the effective date of this policy (Refer to Section 8.0); or • be designated as an Alcohol and Drug Counselor Intern by the NCASPPB within one year of hire.	The Certified Alcohol and Drug Counselor (CADC), Certified Alcohol and Drug Counselor Intern (CADC-I), and Registrant (Alcohol and Drug Counselor)* coordinates with the LCAS or LCAS-A and Clinical Supervisor to ensure that the beneficiary has access to counseling supports, psychoeducation, and crisis interventions. The CADC, CADC-I, and Registrant* play a lead role in case management and coordination of care functions. They coordinate with Medication Assisted Treatment (MAT) providers and Care Management provider(s) to ensure the beneficiary is informed about benefits, community resources, and services. All responsibilities of the Certified Clinical Staff must be covered by the Licensed Clinical Staff when the Certified Clinical Staff is not available or not staffed.

For a SACOT program, there must be at least one (1) Clinical Staff as identified in **Section 6.2** for every ten (10) or fewer beneficiaries, when facilitating a group counseling session.

The Clinical Supervisor may cover caseloads on a temporary basis in emergency situations as a result of staffing shortages and counts towards the staff to beneficiary ratio for group counseling sessions.

6.3 Program Requirements

SACOT must operate at least 20 hours per week offering a minimum of four (4) hours scheduled services per service day, with the availability of in person SACOT services at least five (5) days per week, with no more than two (2) consecutive days without services available. A SACOT program may have variable lengths of stay and reduce a beneficiary's frequency of attendance as recovery becomes established, and the beneficiary can resume day to day obligations of living.

SACOT program components include:

- a. Individual counseling, therapy, and support;
- b. Group counseling, therapy, and support;
- c. Family counseling and support, which involves family members, guardians, or significant other(s) in the assessment, treatment, and continuing care of the beneficiary, with informed consent;
- d. Coordination and referral for ancillary services;
- e. Biomedical testing to evaluate recent drug use (such as urine drug screens);
- f. Education on relapse prevention and development of support systems in treatment;
- g. Education on life skills and crisis contingency planning;
- h. Education on physical health management;
- i. Reproductive planning and health education;
- j. A planned format of therapies, delivered on an individual and group basis and adapted to the beneficiary's developmental stage and comprehension level; and
- k. Service coordination activities.

While receiving SACOT services, the beneficiary shall have continuous access to psychiatric assessment and treatment services when warranted by the presence of symptoms indicating co-occurring substance use and mental health disorders. SACOT programs shall have an agreement with a provider to ensure that services are available.

The provider shall:

- a. be familiar with the SACOT program PCP for each beneficiary seen in consultation;
- b. has access to the beneficiary's SACOT program treatment records; and
- c. be able to consult by phone or in-person with the CCS, LCAS, or LCAS-A, providing SACOT program services.

Medical, psychological, psychiatric, laboratory, and toxicology services are available through consultation or referral. Psychiatric and other medical consultation must be available by telephone, telehealth, and in person. Needed toxicology testing and psychiatric and medical services can be billed separately from SACOT.

SACOT shall support a beneficiary who is prescribed or would benefit from medications, including Medication Assisted Treatment (MAT), to address their substance use or mental health diagnosis.

A provider shall ensure access to all approved Federal Drug Administration (FDA) medications for Medication Assisted Treatment (MAT) for a beneficiary that meets medical necessity for this service. MAT may be administered by the provider, or through a MOA or MOU with another provider that is no further than 60 minutes from the facility.

A SACOT provider shall ensure that all staff have access to naloxone or other Federal Food and Drug Administration approved opioid antagonist for drug overdose on site, and that all staff have training and education on the use of naloxone in suspected opioid overdoses. Programs shall develop policies that detail the use, storage and education provided to staff regarding naloxone.

A comprehensive clinical assessment (CCA), diagnostic assessment (DA), or reassessment must be completed by a licensed professional to determine an ASAM level of care for discharge planning. Relevant diagnostic information must be obtained in the assessment or reassessment and documented in the beneficiary's PCP. CCA, DA, toxicology testing, peer support services, and psychiatric and medical services can be billed separate from SACOT.

6.4 Staff Training Requirements

Time Frame	Training Required	Who
Prior to service delivery	▪ Crisis Response ▪ Opioid Antagonist administration (Administering Naloxone or other Federal Food and Drug Administration approved opioid antagonist for drug overdose) ▪ Harm Reduction ▪ Substance Abuse Comprehensive Outpatient Treatment (SACOT) ASAM Level 2.5 Definition Required Components	All Staff
Within 90 calendar days of hire to provide service	▪ ASAM Criteria ▪ PCP Instructional Elements ▪ Trauma informed care* ▪ Co-occurring conditions*	All Staff
Within 180 calendar days of hire to provide this service	▪ Introductory Motivational Interviewing* ▪ Pregnancy and Substance Use Disorder (SUD) ▪ Designated therapies, practices, or modalities specific to the population(s) served in SACOT*	All Staff
Annually	☐ Continuing education in evidence-based treatment practices including crisis response and cultural competency *	All Staff

The initial training requirements may be waived by the hiring agency if staff can produce documentation certifying that training appropriate for the population being served was completed no more than 48 months prior to hire date.

Staff hired prior to the effective date of this policy shall complete the required training identified in the above Staff Training Requirements chart. Training must be completed within one (1) year of the original effective date of this policy. **Refer to Section 8.0 of this policy for original effective date.**

Training identified with an asterisk (*) must be reviewed and approved by a NC DHHS recognized accreditation entity (e.g., Commission on Accreditation of Rehabilitation Facilities), or must be approved and certified by a nationally recognized program that issues continuing education for licensed or clinical professionals. Some examples of approved programs include North Carolina Addictions Specialist Professional Practice Board (NCASPPB), National Association for Addiction Professionals (NAADAC), National Board for Certified Counselors

(NBCC), Approved Continuing Education Provider (ACEP), National Association of Social Work (NASW), North Carolina Social Work Certification and Licensure Board (NCSWCLB), American Psychological Association (APA), and Motivational Interviewing Network of Trainers (MINT).

Documentation of staff training activities must be maintained by the program.

6.5 Expected Outcomes

The expected clinical outcomes for SACOT are specific to recommendations resulting from clinical assessments and meeting the identified goals in the beneficiary's PCP. Expected outcomes are as follows:

- a. Reduction or elimination of substance use, and substance use disorder symptoms;
- b. Sustained improvement in health and psychosocial functioning;
- c. Reduction in involvement in the justice system;
- d. Reduction of risk of relapse, continued problems, or continued use;
- e. Reintegration of the individual into the community;
- f. Linkage to other necessary treatment services concurrently and upon discharge;
- g. Identification and linkage to community-based resources to address unmet social determinants of health; and
- h. Increase in the identification and use of healthy coping skills.

7.0 Additional Requirements

7.1 Compliance

Provider(s) shall comply with the following in effect at the time the service is rendered:

- a. All applicable agreements, federal, state, and local laws and regulations including the Health Insurance Portability and Accountability Act (HIPAA) and record retention requirements; and
- b. All NC Division of MH/DD/SUS clinical (service definitions) policies, guidelines, policies, provider manuals, implementation updates, and bulletins published by, DHHS, DHHS division(s) or fiscal contractor(s).

7.2 Audits and Compliance Reviews

LME-MCOs are responsible for the management and oversight of the public system of mental health, developmental disabilities, and substance use services at the community level. An LME-MCO shall plan, develop, implement, and monitor services within a specified geographic area to ensure expected outcomes for individuals eligible for state funded services within available resources, per NC GS § 122C-115.4(a).

The area authority or county program shall monitor the provision of mental health, developmental disabilities, or substance use services for compliance with

law, which monitoring, and management shall not supersede or duplicate the regulatory authority or functions of agencies of the Department, per NC GS § 122C-111.

DMH/DD/SUS conducts annual monitoring of a sample of mental health and substance use disorder services funded with SUPTRS, CMHBG and state funds. The purpose of the monitoring is to ensure that these services are provided to individuals in accordance with federal & state regulations and requirements. The LME- MCO shall also conduct compliance reviews and monitor provider organizations under the authority of DMH/DD/SUS to ensure compliance with state funds and federal block grant regulations and requirements.

7.3 Regulatory Authority

The following resources, and the rules, manuals, and statutes referenced in them, give the Division of MH/DD/SUS the authority to set the requirements included in this policy:

- a. Rules for Mental Health, Developmental Disabilities and Substance Abuse Facilities and Services, Administrative Publication System Manuals (APSM)30-1
- b. DMHDDSUS Records Management and Documentation Manual, APSM 45-2
- c. DMHDDSUS Person-Centered Planning Instruction Manual
- d. N.C. Mental Health, Developmental Disabilities, and Substance Abuse Laws, 2001 (G.S. 122-C)

8.0 Policy Implementation and History

Original Effective Date: January 1, 2026

History:

Date	Section or Subsection Amended	Change
01/01/2026	All Sections and Attachment(s)	Initial implementation of stand-alone Substance Abuse Comprehensive Outpatient Treatment (SACOT) policy.

Attachment A: Claims-Related Information

Provider(s) shall comply with the, *NCTracks Provider Claims and Billing Assistance Guide*, Division of MH/DD/SUS bulletins, fee schedules, NC Division of MH/DD/SUS clinical (service definitions) policies and any other relevant documents for specific coverage and reimbursement for State-Funds.

A. Claim Type

Professional (CMS-1500/837P transaction)

Institutional (UB-04/837I transaction)

Unless directed otherwise, Institutional Claims must be billed according to the National Uniform Billing Guidelines. All claims must comply with National Coding Guidelines.

B. International Classification of Diseases and Related Health Problems, Tenth Revisions, Clinical Modification (ICD-10-CM) and Procedural Coding System (PCS)

Provider(s) shall report the ICD-10-CM and Procedural Coding System (PCS) to the highest level of specificity that supports medical necessity. Provider(s) shall use the current ICD-10 edition and any subsequent editions in effect at the time of service. Provider(s) shall refer to the applicable edition for code description, as it is no longer documented in the policy.

C. Code(s)

Provider(s) shall report the most specific billing code that accurately and completely describes the procedure, product or service provided. Provider(s) shall use the Current Procedural Terminology (CPT), Health Care Procedure Coding System (HCPCS), and UB-04 Data Specifications Manual (for a complete listing of valid revenue codes) and any subsequent editions in effect at the time of service. Provider(s) shall refer to the applicable edition for the code description, as it is no longer documented in the policy.

If no such specific CPT or HCPCS code exists, then the provider(s) shall report the procedure, product or service using the appropriate unlisted procedure or service code.

HCPCS Code (s)

H2035

Billing Unit

1 unit = 1 hour

Unlisted Procedure or Service

CPT: The provider(s) shall refer to and comply with the Instructions for Use of the CPT Codebook, Unlisted Procedure or Service, and Special Report as documented in the current CPT in effect at the time of service.

HCPCS: The provider(s) shall refer to and comply with the Instructions for Use of HCPCS National Level II codes, Unlisted Procedure or Service and Special Report as documented in the current HCPCS edition in effect at the time of service.

D. Modifiers

Provider(s) shall follow applicable modifier guidelines.

Telehealth Claims: Modifier GT must be appended to the HCPCS code to indicate that a service has been provided via interactive audio-visual communication.

E. Billing Units

Provider(s) shall report the appropriate code(s) used which determines the billing unit(s).

A minimum of four (4) hours per day of SACOT services must be provided to a beneficiary for a provider to bill for services.

PHPs, PIHPs and provider agencies shall monitor utilization of service by conducting service record reviews and internal audits of units of service billed. PHPs and PIHPs shall assess network providers' adherence to service guidelines to assure quality services for a beneficiary.

F. Place of Service

SACOT must be provided in a facility licensed under 10A NCAC 27G .4500.

G. Co-payments

Not Applicable

H. Reimbursement

Provider(s) shall bill their usual and customary charges in accordance with LME/MCO policy.

For a schedule of rates, refer to: <https://www.ncdhhs.gov/providers/lme-mco-directory>

Outpatient therapy services can be billed separately when the beneficiary needs specialized therapy that cannot be provided by the SACOT provider (Dialectical Behavioral Therapy, exposure therapy, Eye Movement Desensitization and Reprocessing).

Note: North Carolina State-Funds will not reimburse for conversion therapy.