Report to the

Senate Appropriations Committee on Health and Human Services

House of Representatives Appropriations Subcommittee on Health and Human Services

and

Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities and Substance Abuse Services

Monthly Report on Community Support Services

May 2008

Session Law 2007-323

House Bill 1473

Section 10.49.(ee)

June 30, 2008

North Carolina Department of Health and Human Services

Executive Summary

Legislation in 2007 requires the Department of Health and Human Services to report monthly on the use and cost of Community Support services for persons with mental health, developmental, and substance abuse disabilities. This May 2008 report includes data on the past 18 months of services. The following highlights provide a summary of that information.

Highlights

- In March 2008, almost 25,000 children and slightly under 14,000 adults received Medicaid-funded Community Support services. Additionally, almost 700 children and adolescents and slightly over 3,500 adults received State and block grant funded Community Support services through the Division of Mental Health, Developmental Disabilities and Substance Abuse Services Integrated Payment and Reporting System (IPRS).
- About 652,000 hours of Medicaid-funded Community Support services, at a cost of slightly over $33 million, were provided to children and adolescents in March 2008. State-funded Community Support services through IPRS for children and adolescents totaled just under 8,000 hours and cost under slightly over $410,000.
- Medicaid-funded Community Support services for adults totaled almost 295,000 hours in March 2008, at a cost of slightly over $15 million. Slightly over 19,000 hours of State-funded services for adults were provided that month, at a cost of slightly over $988,000.
- In March 2008, the use of Medicaid-funded Community Support services averaged 26 hours per month for 9 months for children and adolescents and 21 hours per month for almost 11 months for adults. State-funded services were provided for about half that long, on average, and at less than half that intensity.
- As of May 31, 2008, 1,447 provider sites were actively enrolled with Medicaid to provide Community Support services and the enrollment of 344 providers had been terminated.
- Over 1,100 provider sites have been referred to the Division of Medical Assistance for further investigation. Of those, 37 have been referred to the Attorney General's Medicaid Investigation Unit.
- The greatest numbers of persons receiving Medicaid and State-funded enhanced services other than Community Support in March 2008 were found in assertive community treatment teams (slightly over 2,200) and psychosocial rehabilitation (slightly over 1,800).
- The highest *average dollars of service per person served* in March 2008 for Child and Adolescent services was Day Treatment for both Medicaid-funded (slightly under $2,300) and State-funded services (slightly over $2,100). For adults, community support team (slightly over $2,300) and assertive community treatment teams (slightly under $1,300) had the highest average.
- The most expensive enhanced services after Community Support in March 2008 were child day treatment at almost $2.2 million and assertive community treatment teams, at over $2.8 million (Medicaid and State funds combined).

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Legislative Background

Session Law 2007-323, House Bill 1473, Section 10.49.(ee) requires the Department of Health and Human Services to "[evaluate] the use and cost of Community Support services to identify existing and potential areas of over utilization and over expenditure." Section 10.49(ee)(10) further stipulates that the Department will:

> *"Beginning October 1, 2007, and monthly thereafter, report to the Senate Appropriations Committee on Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities, and Substance Abuse Services. The report shall include the following:*
>
> *a. The number of clients of Community Support services by month, segregated by adult and child;*
> *b. The number of units of Community Support services billed and paid by month, segregated by adult and child;*
> *c. The amount paid for Community Support by month, segregated by adult and child;*
> *d. Of the numbers provided in sub-subdivision b. of this subdivision, identify those units provided by a qualified professional and those provided by a paraprofessional;*
> *e. The length of stay in Community Support, segregated by adult and child;*
> *f. The number of clinical post payment reviews conducted by LMEs and a summary of those findings;*
> *g. The total number of Community Support providers and the number of newly enrolled, re-enrolled, or terminated providers, and if available, reasons for termination;*
> *h. The number of Community Support providers that have been referred to DMA's Program Integrity Section, the Division's "Rapid Action response" committee; or the Attorney General's Office;*
> *i. The utilization of other, newly enhanced mental health services, including the number of clients served by month, the number of hours billed and paid by month, and the amount expended by month."*

About the Data: The following pages include historic data for 18 months, in order to capture trends in the use of Community Support services. The data span Medicaid-funded and State and block grant funded services through IPRS that were provided between December 1, 2006 and May 31, 2008 based on service claims paid through May 31, 2008. The data on the following pages – with the exception of Figure 1.8 and 1.9 – are based on the *date of service*, rather than the *date of payment*, as this gives a more accurate description of the actual trends in use of services. (See page 8 for more information.)

Caution is necessary in interpreting date of service information for the most recent months. These data are likely to be incomplete due to delays in providers' submission of service claims. Data for the two most recent months is represented by dotted lines (- - - -) in the graphs.

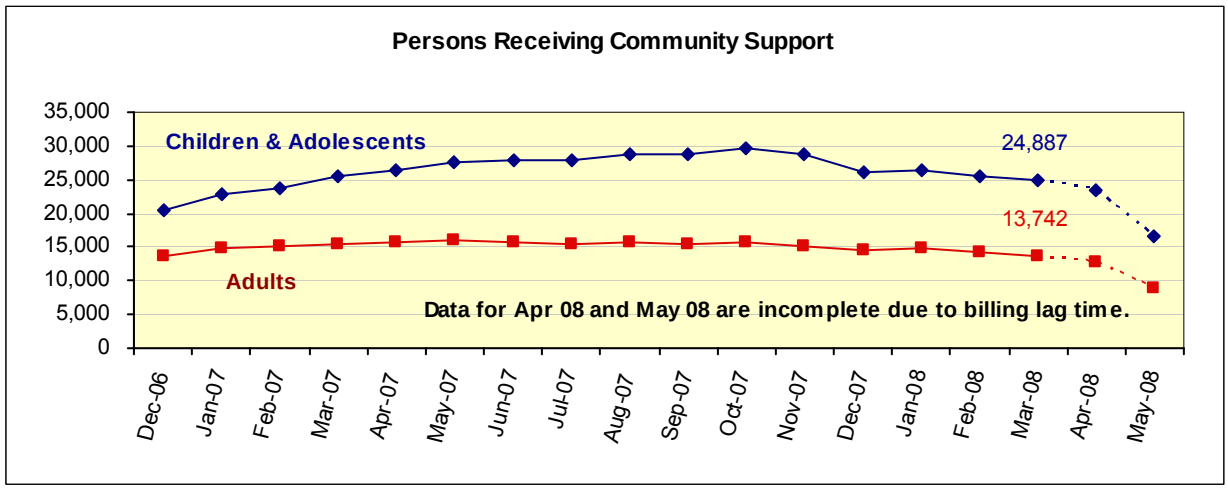
Medicaid funding defines children as ages 0-20; State funding defines children as ages 0- 17.

Use of Community Support Services

Number of Consumers

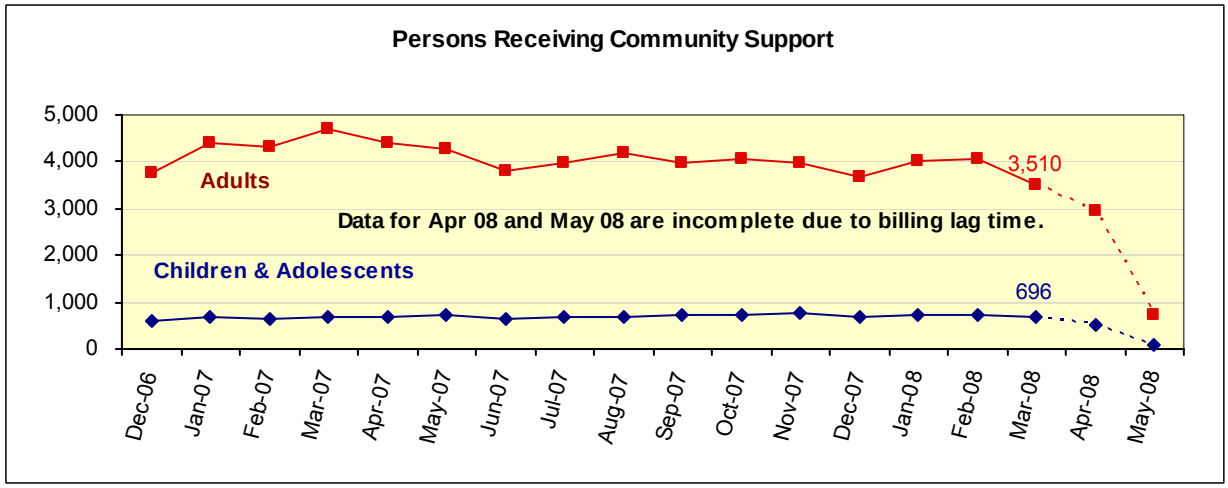
As indicated by Figure 1.1 below, the number of individuals receiving Medicaid-funded Community Support services was almost 25,000 children and adolescents, and slightly under 14,000 adults in March 2008.

Figure 1.1
Medicaid-Funded Services



As indicated by Figure 1.2 below, more adults received State-funded Community Support services than children and adolescents. Since March 2007 there has been a gradual decline in the number of adults receiving Community Support, while the number of children and adolescents remained stable during the same period.

Figure 1.2
State-Funded Services through IPRS



Volume of Services

Since last October 2007, the units of service continue to decline for Medicaid-funded Community Support provided, as shown in Figure 1.3 below. Children and adolescents received slightly over 652,000 hours of services (2.6 million units), and adults received almost 295,000 hours (1.2 million units) in March 2008.

Figure 1.3
Medicaid-Funded Services

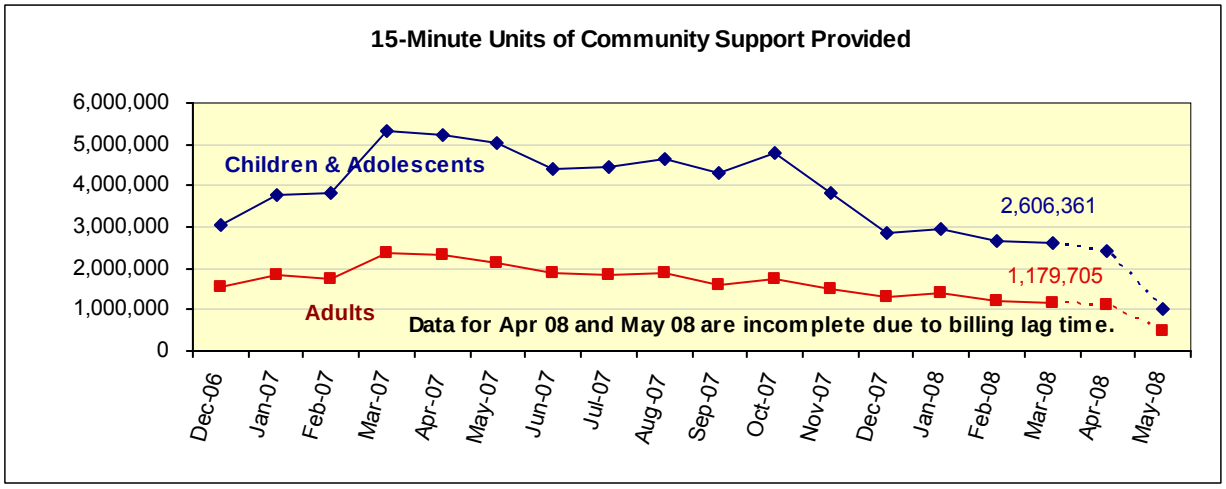
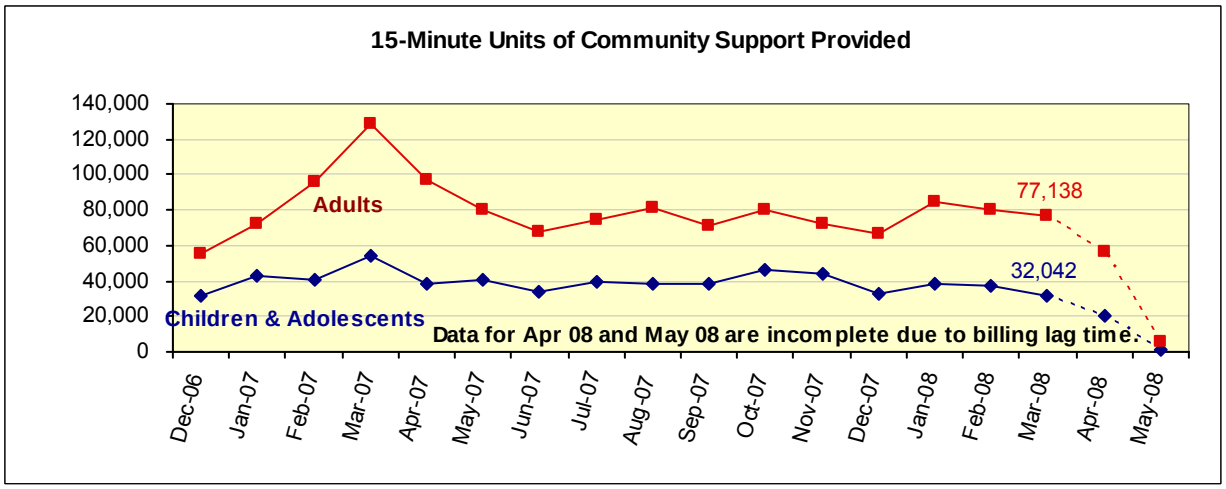


Figure 1.4 below shows a significant decrease in State-funded services from March 2007 to March 2008 for adults. Units of service for adults had decreased to slightly over 19,000 hours (just over 77,000 units) in March 2008. Community Support provided to children and adolescents decreased to slightly over 8,000 hours in March 2008.

Figure 1.4
State-Funded Services through IPRS



Services by Qualified Professionals, Associate Professionals and Paraprofessionals

Within each provider agency enrolled to deliver Community Support services, the Qualified Professional (QP) is charged with the coordination and oversight of initial and ongoing assessment activities, ensuring linkages to the most clinically appropriate services, and with the facilitation of the Person Centered Planning process. The Associate Professional (AP)/Paraprofessional (PP) is responsible for assistance with therapeutic interventions and skill building under the supervision of the Qualified Professional.

To ensure adequate involvement and oversight by a Qualified Professional, clinical policy requires that a minimum of 15% of Community Support services per recipient be provided by the Qualified Professional. Each endorsed provider site is also expected to deliver a minimum of 25% of Community Support services by Qualified Professionals. In order to monitor activity of the Qualified Professional and Associate Professional/ Paraprofessional requirement, a breakdown of units provided by each level of professional was added to the billing requirements in December 2007. Units are billed in 15 minute increments, with the required modifier designating the level of the staff providing the service.[1]

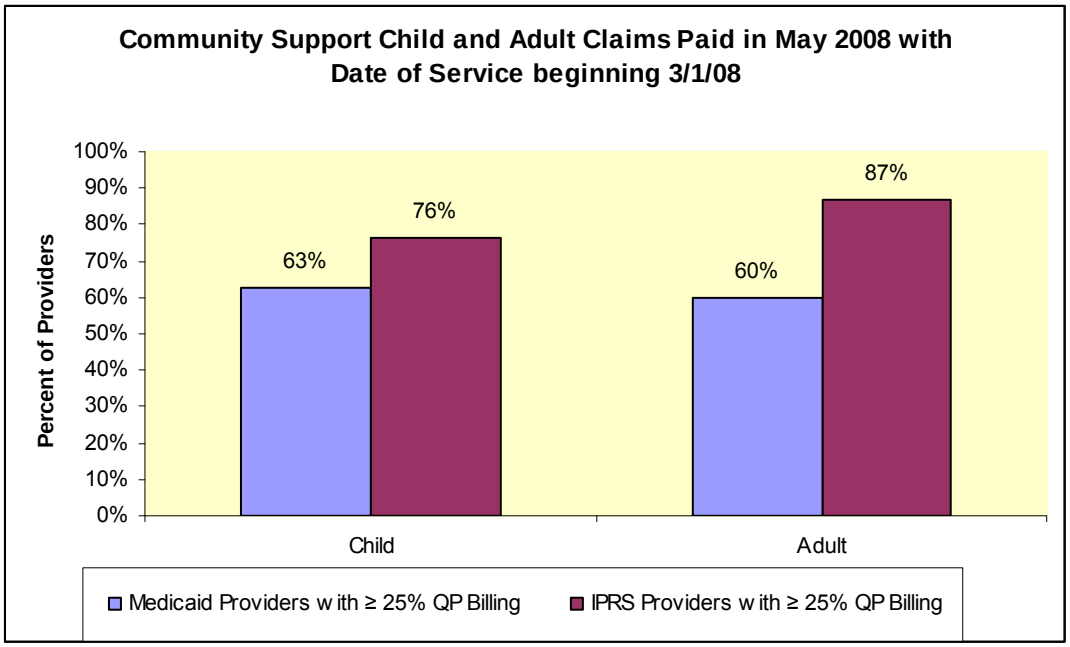
On June 2, 2008 Implementation Update #44 was issued in order to clarify the 25% Aggregate Service requirement. The points of clarification were:

- The 25% Qualified Professional (QP) time is required per site within the LME's catchment area;
- Community Support Child/Adolescent and Community Support adult should be monitored separately for each service at each site;
- The 25% QP time should be separated by funding source. In addition, if the provider does not meet the threshold of 25% for two consecutive months for either Medicaid or IPRS funding, they will lose their endorsement for Medicaid paid services or will lose their contract for IPRS paid services;
- LME's will begin monitoring the 25% requirement beginning May 1, 2008.[2]

[1] Clinical Coverage Policy No.:8A. Division of Medical Assistance: Enhanced Mental Health and Substance Abuse Services. Effective March 1, 2008. pp. 26-38.

[2] Implementation Update #44. Division of Mental Health, Developmental Disabilities and Substance Abuse Services. June 2, 2008. pp. 2-3.

Figure 1.5
Medicaid and IPRS Funded Services for Child/Adolescents and Adults



After March 1, 2008 the data show that over 63% of Medicaid providers, and 76% of IPRS providers billed for over 25% of QP time for community support child services. Providers of adult community support services billed for 60% QP time with Medicaid funding and 87% of QP time utilizing IPRS funding. Based on this analysis each of the four outlined target groups exceeded the threshold outlined by the Division and the Department of Health and Human Services.

Cost of Services

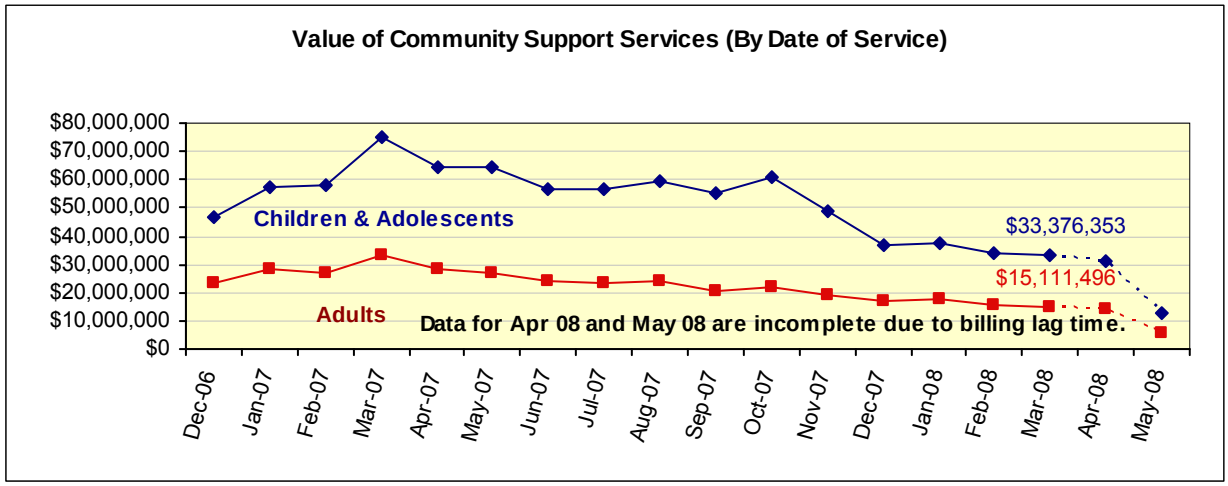
In order to present the most accurate picture of the cost of Community Support services, two methods of calculating expenditures are needed.

Patterns in service costs are calculated based on the *date of service.* These data (see Figures 1.6 and 1.7) provide a good representation of trends in *actual use and cost of services* each month. However, dollar amounts for the most recent months (March 2008-May 2008) require cautious interpretation. Due to the time needed for claims submission and processing, expenditures shown for these most recent months are likely to be incomplete.[3]

Patterns in service payments are calculated using the *date of payment* of the service claim.[4] This information (see Figures 1.8 and 1.9) provides a good representation of trends in *actual funds expended* from month to month, including the most recent months. However, information based on date of payment is less helpful for evaluating or predicting trends in use of Community Support services, due to variability in providers' claims submission practices and the number of check-write cycles that occur each month.

Figure 1.6 below displays the monthly Medicaid cost of Community Support services. In the month of March 2008, the cost of services provided was approximately $33.4 million for children and adolescents and $15.1 million for adults.

Figure 1.6
Medicaid-Funded Services

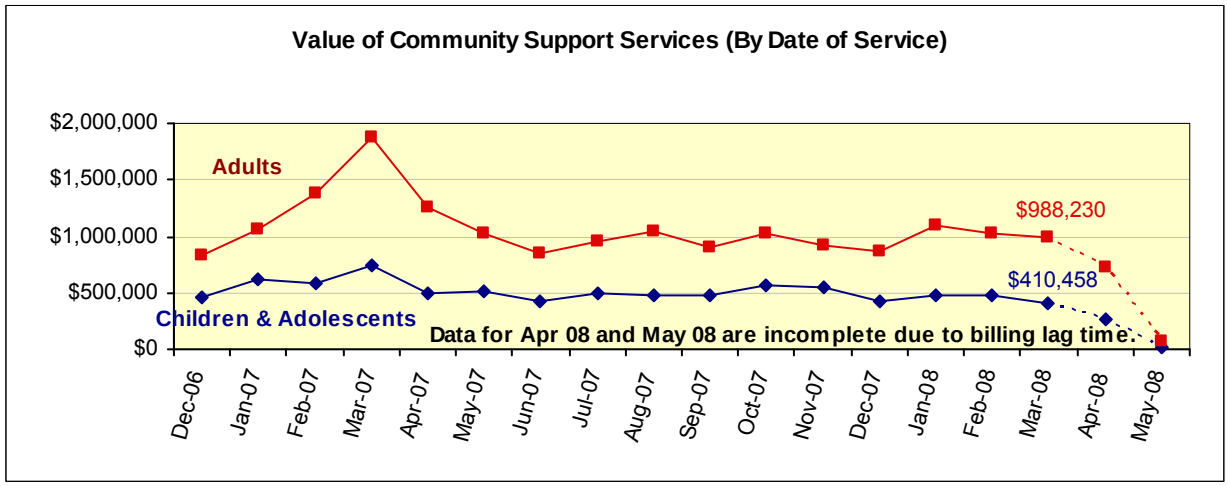


[3] Each monthly report includes updated expenditures for previous months to reflect additional claims as they are paid.

[4] Calculations of service value based on the date of payment include payment adjustments. Calculations based on the date of service do not.

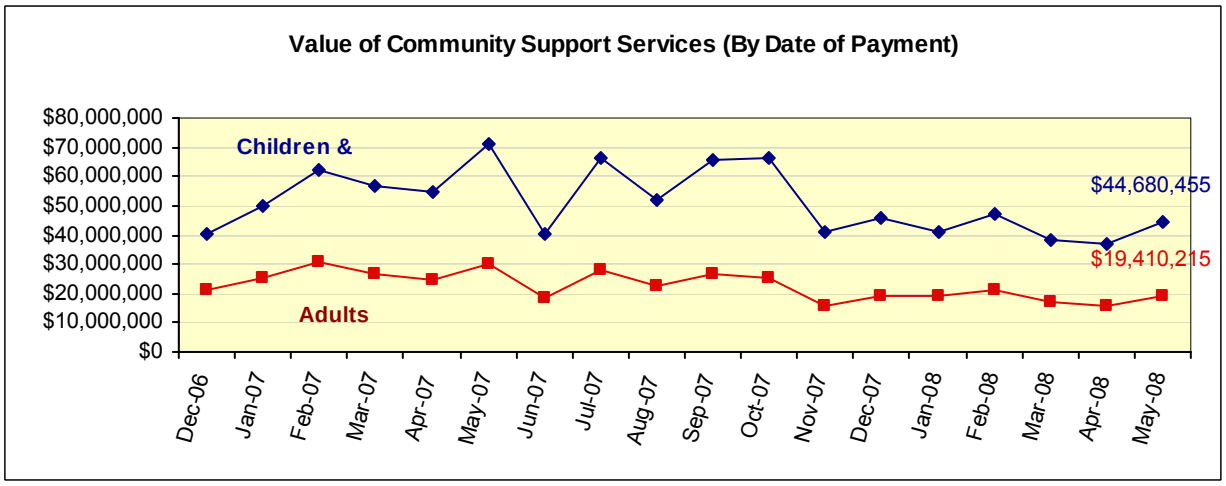
As shown in Figure 1.7 below, the monthly State-funded cost of Community Support services for March 2008 has decreased to slightly over $988,000 for adults, and slightly over $410,000 for children and adolescents.

Figure 1.7
State-Funded Services through IPRS



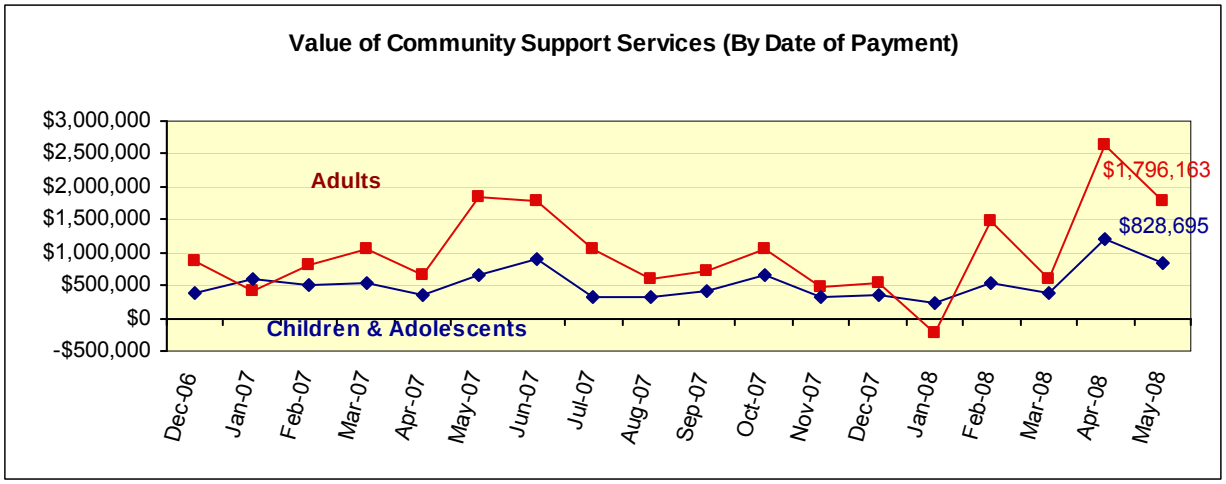
As shown in Figure 1.8, monthly Medicaid payments to providers for Community Support in May 2008 totaled almost $45 million for children and adolescents and $19 million for adults.

Figure 1.8
Medicaid-Funded Services



Payments of state funds made through the Integrated Payment and Reporting System (Figure 1.9 below) reflect a more irregular billing pattern for Community Support. In May 2008 the amount of Community Support services paid for adults decreased to almost $1.8 million and slightly above $800,000 for children and adolescents.

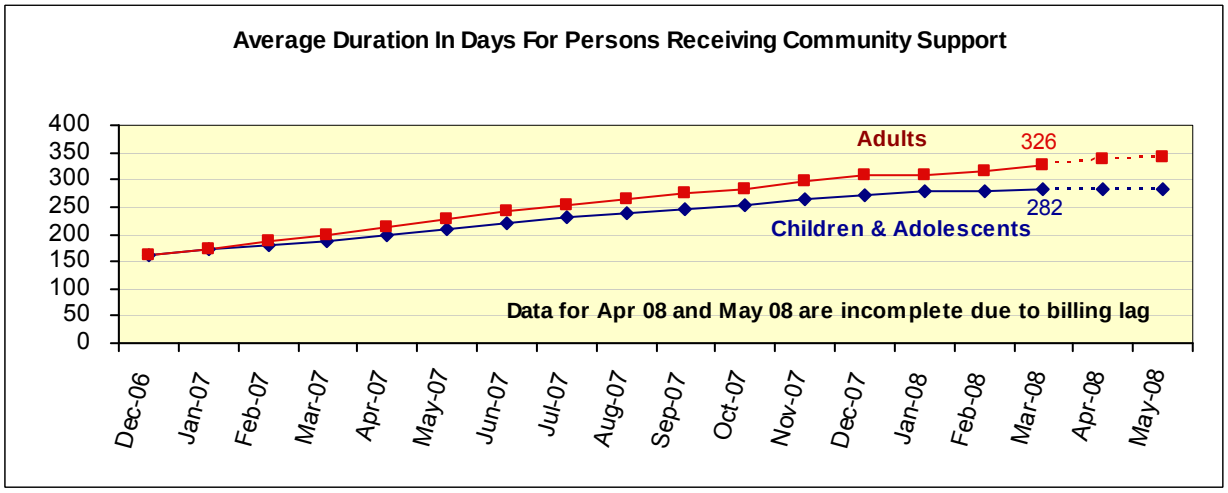
Figure 1.9
State-Funded Services through IPRS [5]



Intensity of Services (Length of Service and Hours Per Person)

The *average length of service* or duration of services, as shown in Figure 1.10 below, shows a steady rise in the average number of days individuals remain in Community Support services. In March 2008, the average length of service was over nine months (282 days) for children and adolescents and almost eleven months (326 days) for adults. Preliminary data for April and May 2008 suggests that the average length of service for adults will continue to rise.

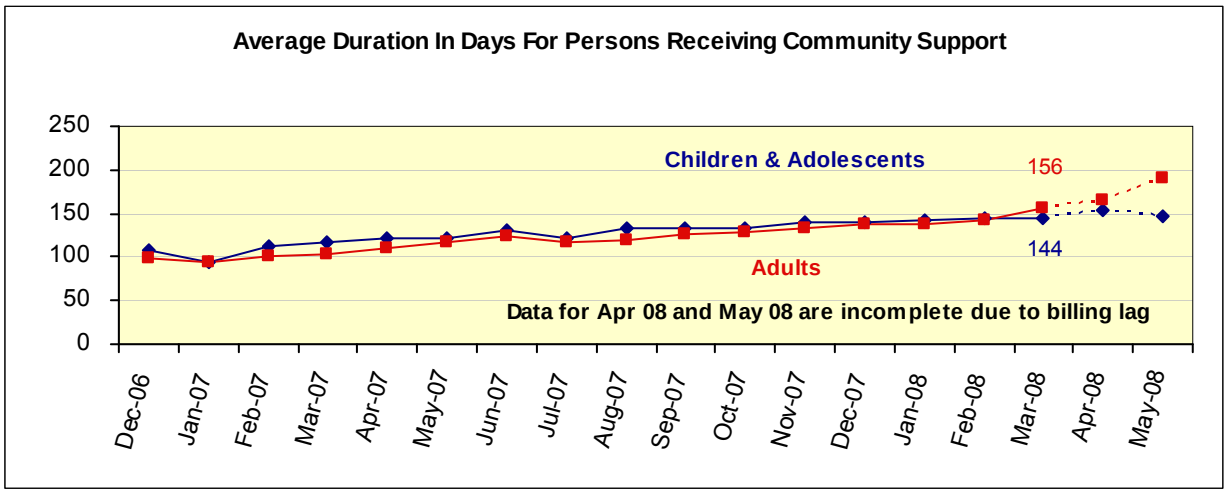
Figure 1.10
Medicaid-Funded Services



[5] In January 2008 the amount of community support services billed reflects an adjustment that exceeded the amount of dollars paid; therefore, the scale shows a negative amount of Community Support services billed through IPRS.

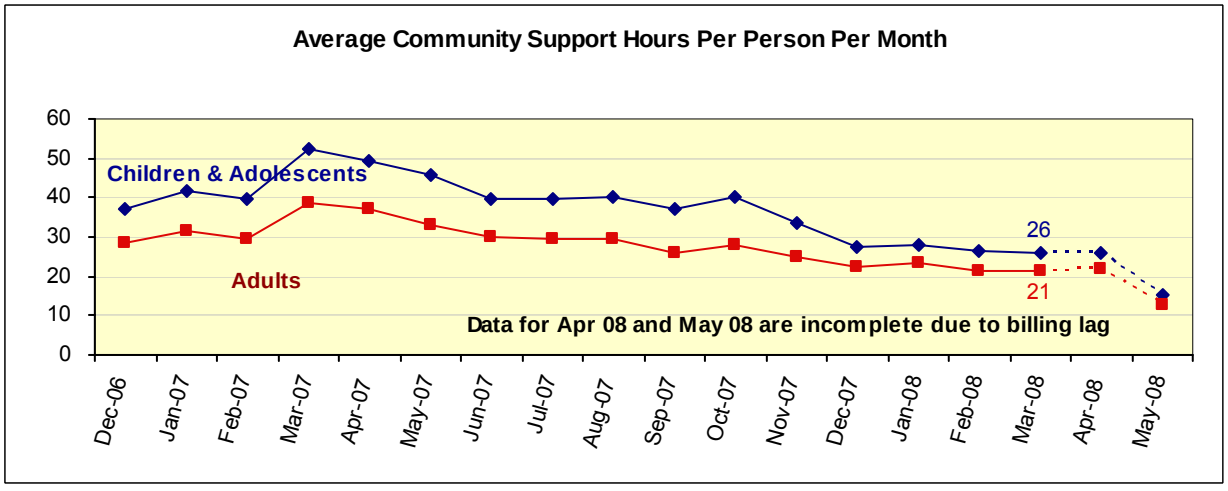
In March 2008, the *average length of service* for State-funded consumers, as shown in Figure 1.11 below, was over five months for children and adolescents (156 days) and almost five months for adults (144 days). Preliminary data for March and April 2008 suggests that the average length of service will continue to rise for adults.

Figure 1.11
State-Funded Services through IPRS



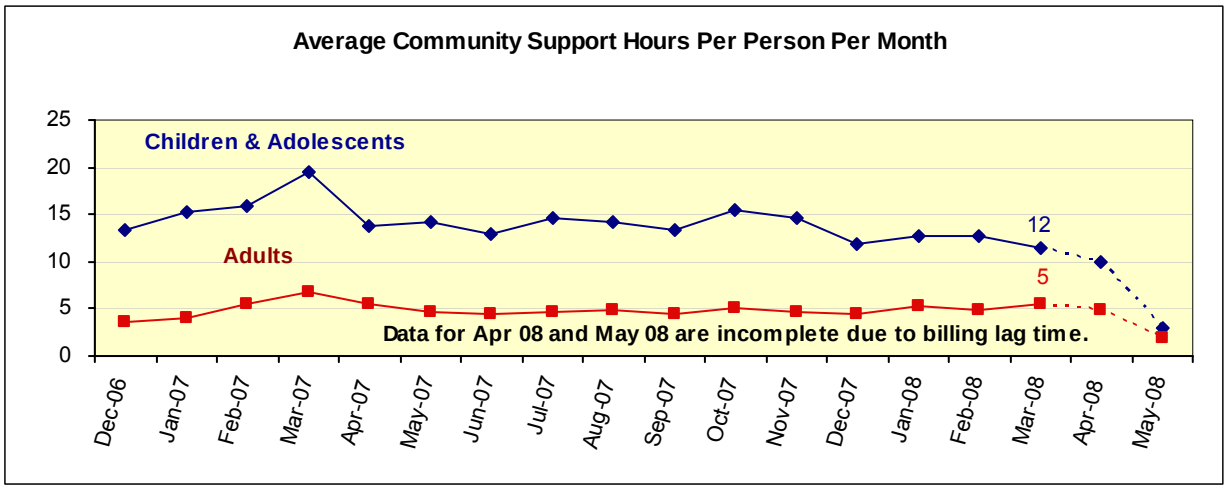
Average hours per person per month present additional information for evaluating the intensity of the services provided. As indicated in Figure 1.12, the average hours per month have dropped since its peak in March 2007 to 26 hours for children and adolescents and 21 hours for adults.

Figure 1.12
Medicaid-Funded Services



As indicated in Figure 1.13, children and adolescents received an average of 12 hours per month for State-funded Community Support services and adults received an average of five hours a month in March 2008.

Figure 1.13
State-Funded Services through IPRS

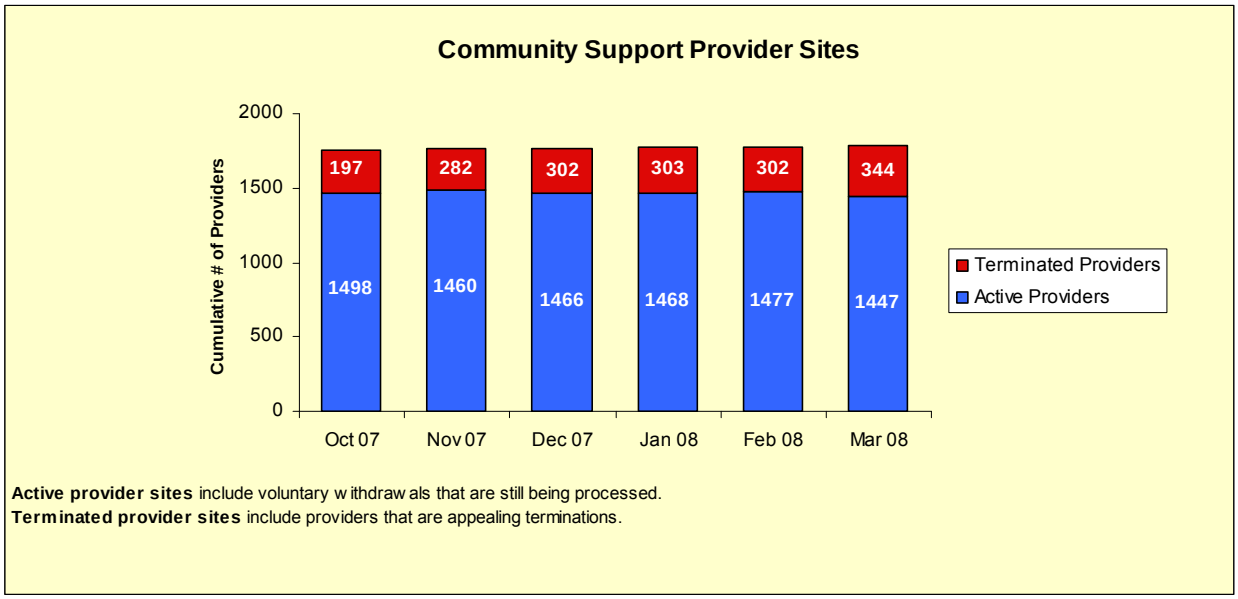


Community Support Providers

Number of Enrolled Providers

As of October 1, 2007, a total of 1,695 distinct provider sites had been enrolled to provide Community Support services before enrollment for new providers was halted in November 2007.[6] Of these enrolled sites, 197 were terminated prior to January 2008. As of May 31, 2008 1,447 provider sites were actively enrolled to provide Community Support services, while enrollment for 344 provider sites was terminated.[7]

Figure 2.1



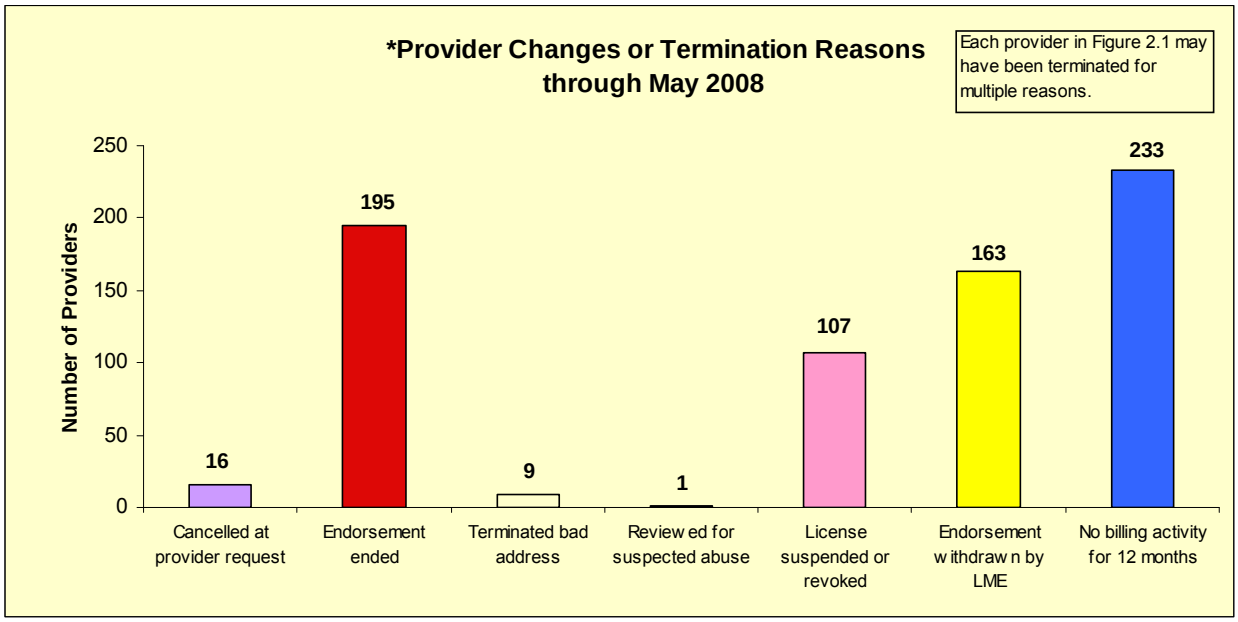
Current provider data was created on 6/9/08

Figure 2.2 on the following page, outlines reasons for changes and terminations for the 344 providers terminated in Figure 2.1. Provider inactivity, lapsed endorsements, and suspensions or revocations by Local Management Entities or the licensing agency represented the most frequent reasons for termination.

[6] Providers are identified by the specific location from which services are delivered. A single business entity that has multiple enrolled sites is counted multiple times in Figure 2.1.

[7] The small increase in providers from January 2008 to May 2008 is the result of applications that were in process when the November 8, 2007 memorandum was issued halting enrollment. In addition, some terminated providers have been reinstated as a result of hearings where decisions were overturned and were moved to the "active provider" category.

Figure 2.2



*****Each provider in Figure 2.1 may have been terminated for multiple reasons listed in Figure 2.2.

Clinical Post-Payment Reviews

There have not been additional post-payment reviews since September 2007. When the next round of reviews are completed the results will be included in this report.

Actions Taken and Providers Referred for Further Review

As shown in Figure 2.5, over 1,100 Community Support providers were referred to the Division of Medical Assistance (DMA) Program Integrity (PI) Section. The fluctuation in the number of monthly PI cases opened reflect multiple cyclic review processes that include, but are not limited to; (1) the clinical post payment reviews, (2) complete service record reviews, (3) complaints, (4) DMH Accountability Spring/Fall Audits, and (5) DMH Accountability Investigative Findings. Due to the current volume of Community Support providers under review by the Program Integrity Section, the Rapid Action Committee will not review the cases prior to further action. The Program Integrity Section has submitted 37 provider cases for referral to the Attorney General's Medicaid Investigation Unit (MIU).[8]

Figure 2.5

Community Support Providers Referred for Further Action
As of May 31, 2008

	Previous Totals	April Totals	May Totals	Cumulative Totals
Provider cases opened by DMA Program Integrity Section	1,063	36	9	*1,108
Providers Referred by DMA to Attorney General's Medicaid Investigation Unit	27	10	0	37

*777 cases originated from the LME reviews. The balance is from other referrals to PI. The number of provider cases may include a duplicate number of providers referred to PI. Data generated on 6/23/08.

[8] Any direct referrals of community support providers to the MIU by agencies, families, or other stakeholders that do not pass through review by DMH or DMA will not be included in this report.

Use of Other New Enhanced Services

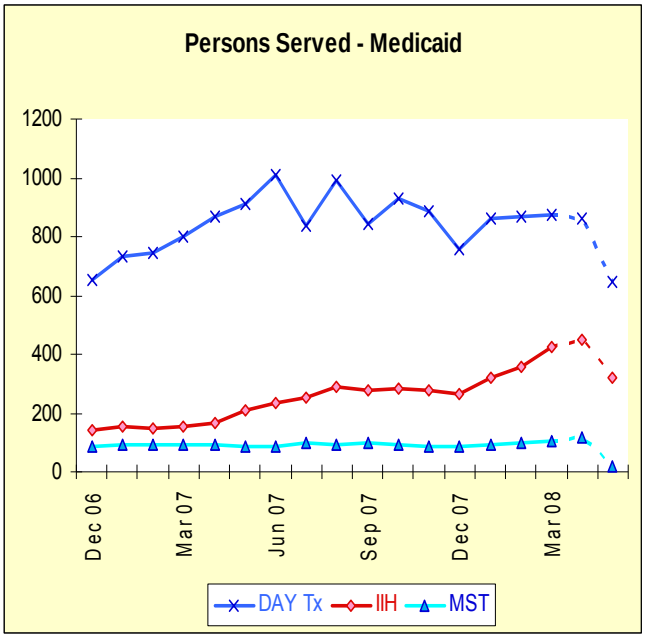
The number of individuals receiving other Medicaid-funded enhanced services in March 2008 remained much lower than the almost 39,000 individuals who received Community Support during the same month (refer to Figure 1.1 and Figure 1.2 on page 5). The figures below represent the following four categories of services which are: services to Children and Adolescents; services to Adults; Substance Abuse services; and Crisis Intervention services. Each category includes three figures that show the number of persons served, the amount of dollars spent, and a new chart which outlines the average dollars spent per person served. The data shown in this section are based on the date of service for Medicaid-funded and State-funded services.

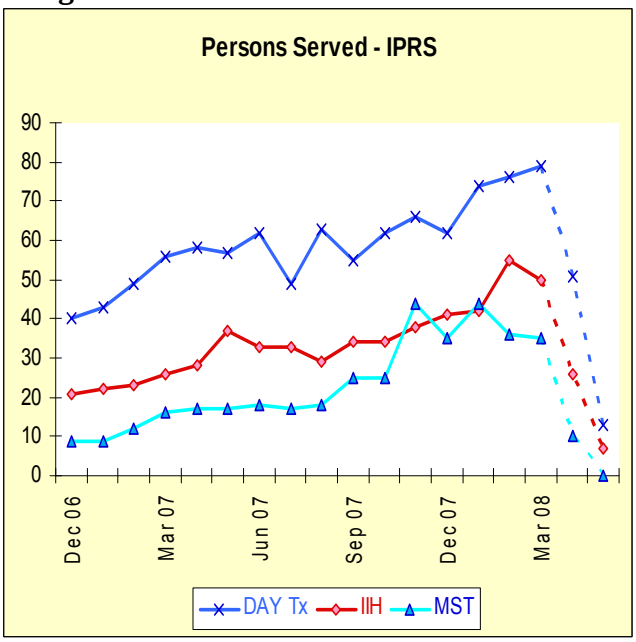
Children and Adolescents (Edits not complete in this section are highlighted)

The number of children and adolescents receiving Child and Adolescent Day Treatment (Day Tx), Intensive In-Home (IIH) Services, and Multisystemic Therapy (MST) totaled 1,564 individuals in March 2008, with 1,400 served through Medicaid funds and 164 served through state IPRS funds.

As shown in Figure 3.1 below, more persons continue to receive Child and Adolescent Day Treatment than Intensive In-Home and Multisystemic Therapy for both Medicaid and State-funded services. The number of children receiving Medicaid-funded IIH services and State-funded IIH has steadily risen during the past year. During the same period the number of person receiving State-Funded MST has risen, while Medicaid-funded MST services have remained flat. The number of persons receiving Day Tx has been erratic over the past year.

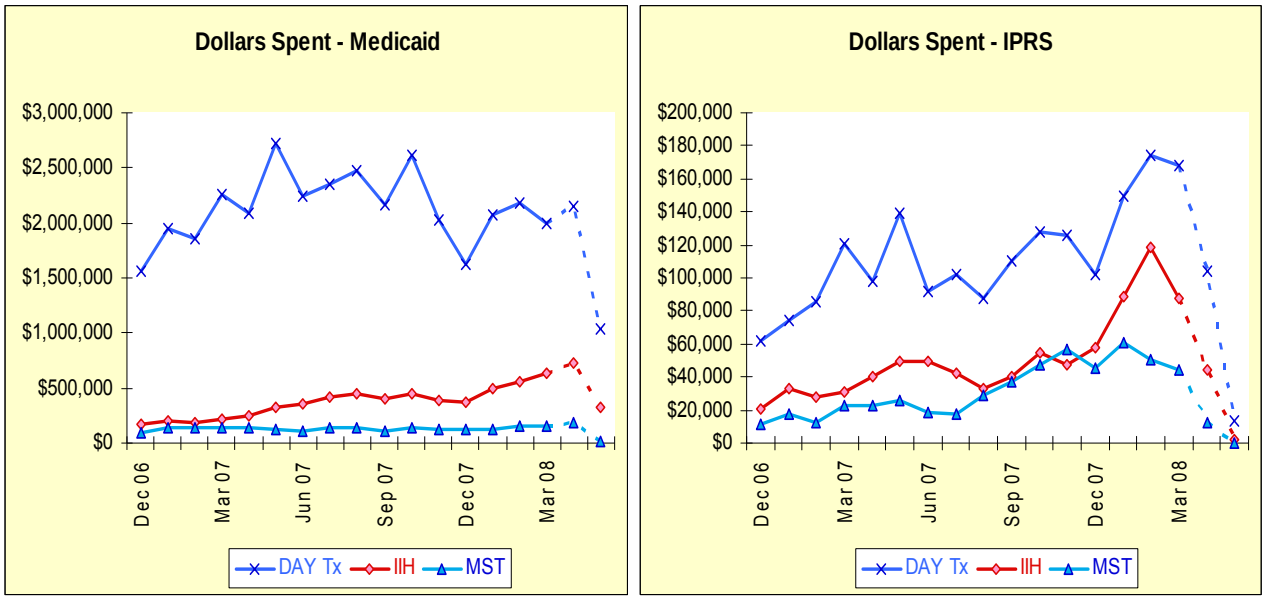
Figure 3.1
Medicaid Services and State Funded Services through IPRS for Children and Adolescents





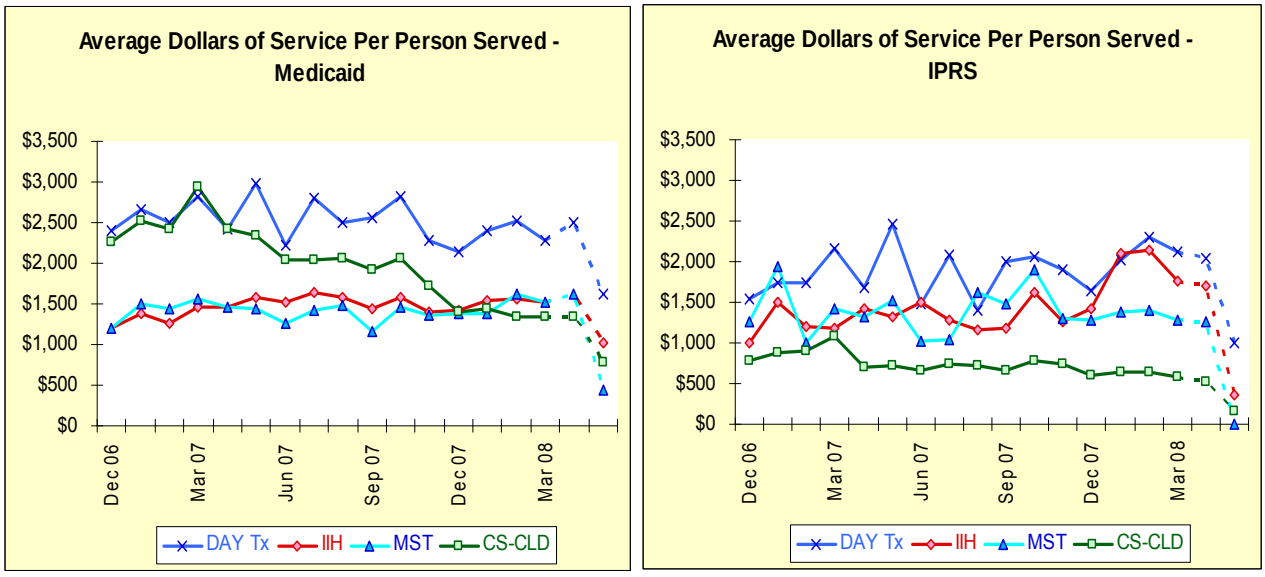
The pattern for costs, shown in Figure 3.2 reflects reflect an increase in spending for Medicaid and IPRS-funded DayTx. IPRS-funded IIH shows a substantial increase over the past 18 months, while Medicaid-funded IIH shows a more gradual increase in dollars spent. Medicaid-funded MST remained stable, while IPRS Funded MST had a more gradual increase over the past 18 months.

Figure 3.2
Medicaid Services and State Funded Services through IPRS for Children and Adolescents



In Figure 3.3 the average Medicaid dollars of services per person served has decreased substantially for Community Support -Child (CS-CLD) and has decreased slightly in the past 18 months for Day Tx, while both IIH and MST showed little change. During the same period, the pattern of usage for IPRS dollars shows increases in Day Tx and IIH, while MST and CS-Child have decreased over the past 18 months.

Figure 3.3
Medicaid Services and State Funded Services through IPRS for Children and Adolescents



Adults

The number of adults receiving Community Support Team (CST), Assertive Community Treatment Team (ACTT), and Psychosocial Rehabilitation (PSR) services totaled 5,360 individuals in March 2008, with 4,601 served through Medicaid funds and 759 served through state IPRS funds. As shown in Figure 3.4, the number of adults receiving both Medicaid-funded and State-funded CST and ACTT has risen over the past 18 months. The number of persons receiving Medicaid-funded Psychosocial Rehabilitation (PSR) decreased over the past six months.

Figure 3.4
Medicaid Services and State Funded Services through IPRS for Adults

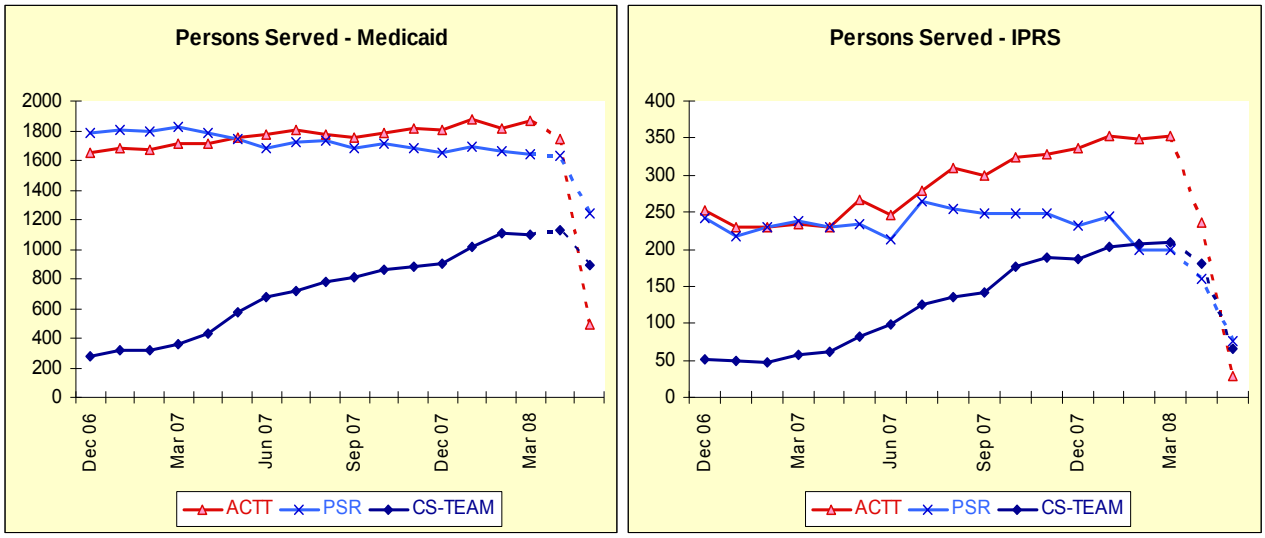
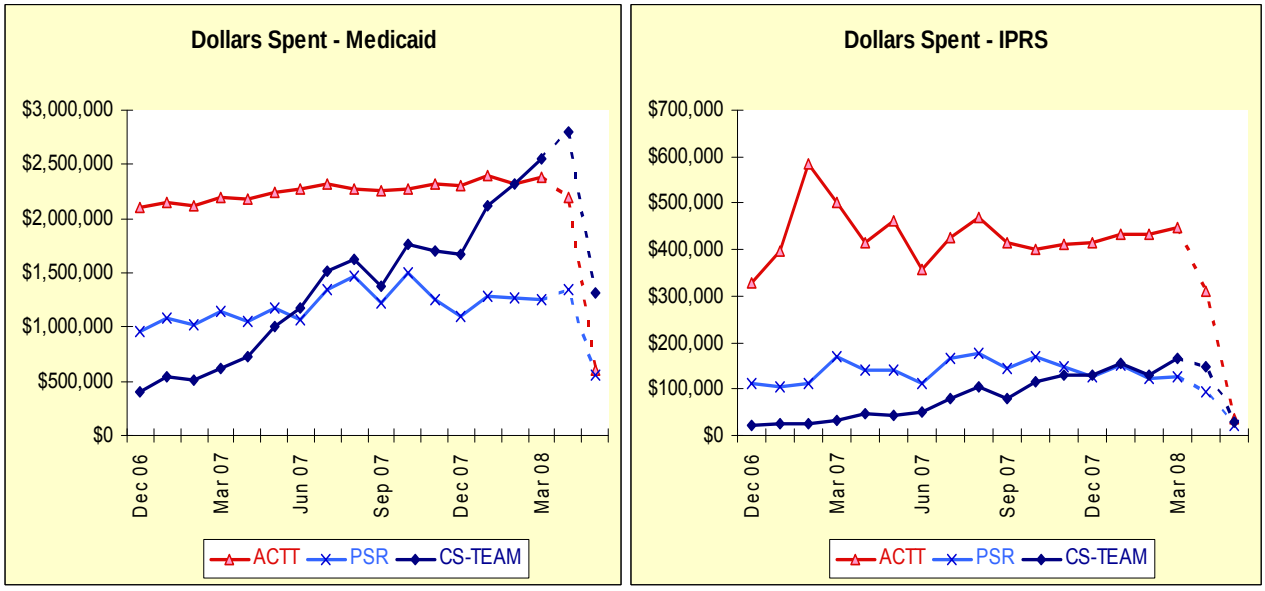


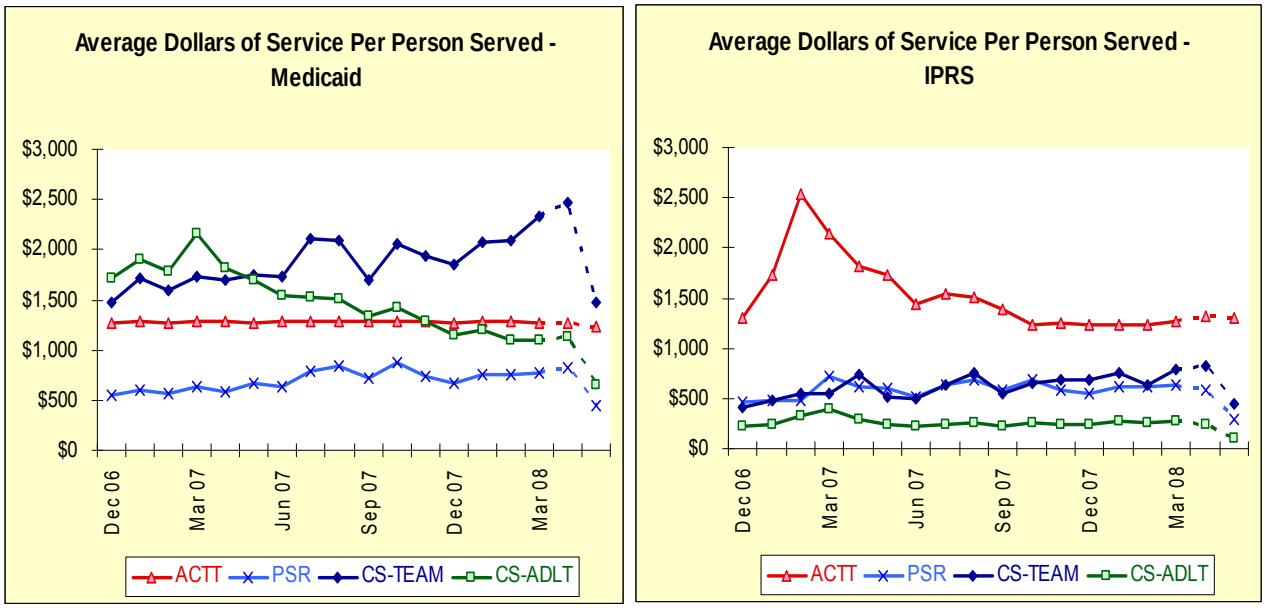
Figure 3.5 below shows similar trends over the past 18 months with large increases in the Medicaid dollars spent on CST, and a slight increase in ACTT services. Over the same period IPRS dollars spent on ACTT has increased, although the number has stabilized over the past six months, while PSR has remained relatively stable and CS-TEAM showed a slight increase.

Figure 3.5
Medicaid Services and State Funded Services through IPRS for Adults



In Figure 3.6 the average dollars of service per person has increased for Medicaid-funded CS-TEAM while it remained fairly level for other services except Community Support-Adult (CS-ADULT). The Average cost per person for CS-ADULT has continued to decrease over the past 18 months for Medicaid funded service, while average State dollars spent per person have remained fairly level.

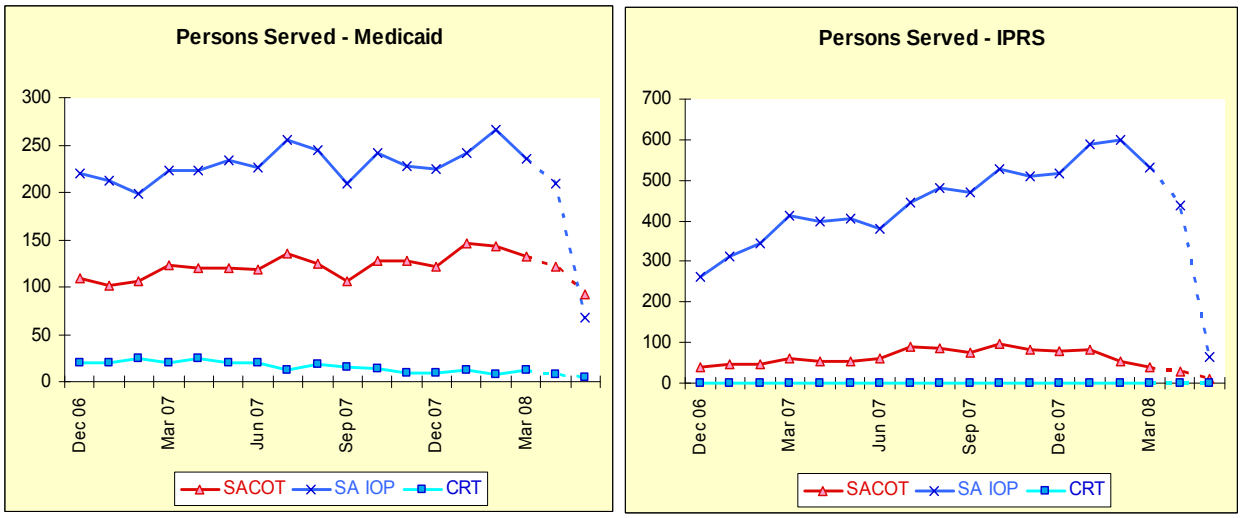
Figure 3.6
Medicaid Services and State Funded Services through IPRS for Adults



Substance Abuse Services

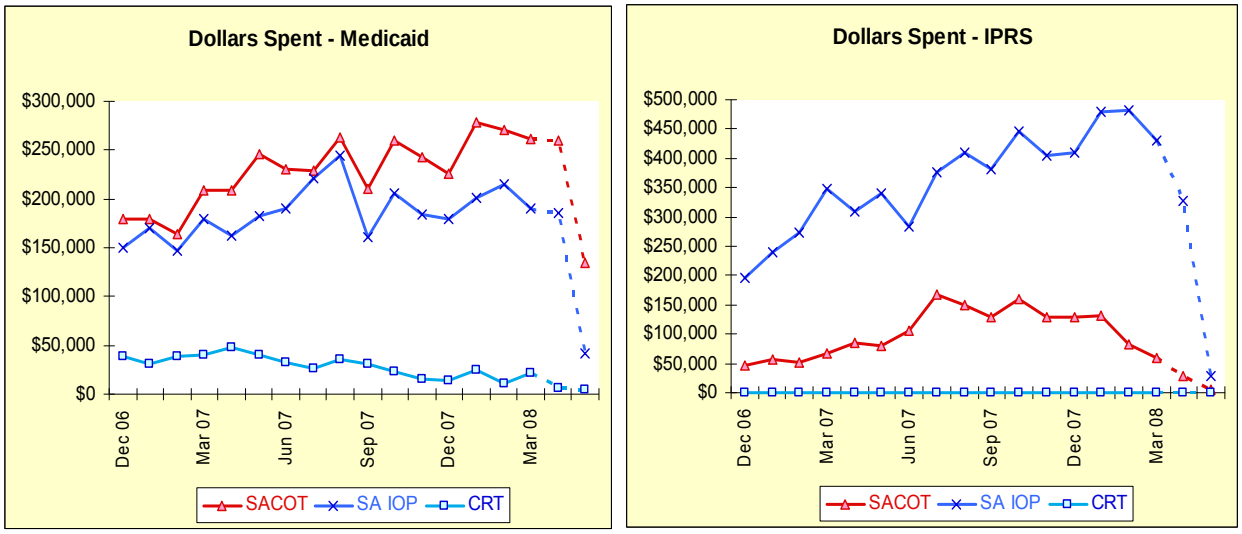
The number of individuals receiving Substance Abuse Intensive Outpatient Program (SA IOP) services, Substance Abuse Comprehensive Outpatient Treatment (SACOT) services, and Substance Abuse Medically Monitored Community Residential Treatment (CRT) totaled 953 individuals in March 2008, with 381 served through Medicaid funds and 572 served through State IPRS funds. Over the past 18 months State-funded SAIOP has continued to increase, while the number of persons receiving State-funded SACOT has leveled off. Medicaid-funded SACOT and SA IOP have both increased slightly over the same period.

Figure 3.7
Medicaid Services and State Funded Services through IPRS for Substance Abuse Clients



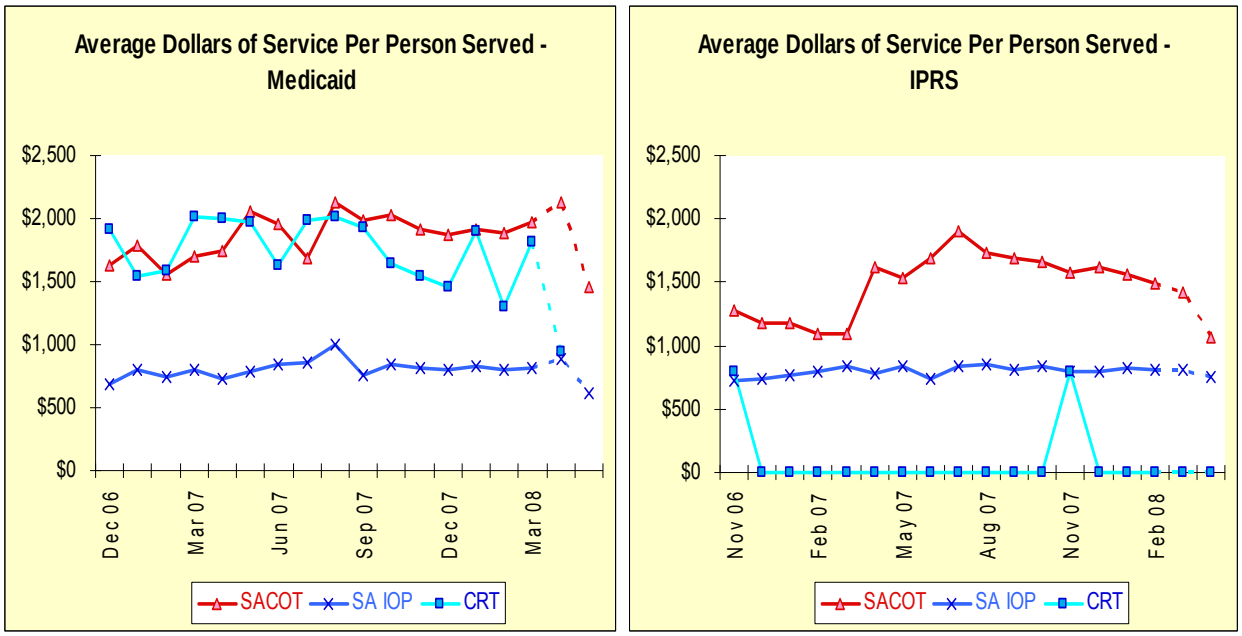
As shown in Figure 3.8 below both Medicaid and State-funded spending for Substance Abuse services show an irregular pattern over the past 18 months. However, SA IOP and Medicaid-funded SACOT spending has gradually increased over the same period. State-funded SA IOP has continued a rapid increase over the past 18 months, while SACOT spending has decreased.

Figure 3.8
Medicaid Services and State Funded Services through IPRS for Substance Abuse Clients



In Figure 3.9 below, the average dollars per person for Medicaid-Funded and State-Funded Substance Abuse Comprehensive Outpatient Treatment (SACOT) reached a high in the summer of 2007 with gradual decreases thereafter. Substance Abuse Intensive Outpatient Program (SAIOP) services remained stable for both Medicaid-funded and IPRS-funded services.

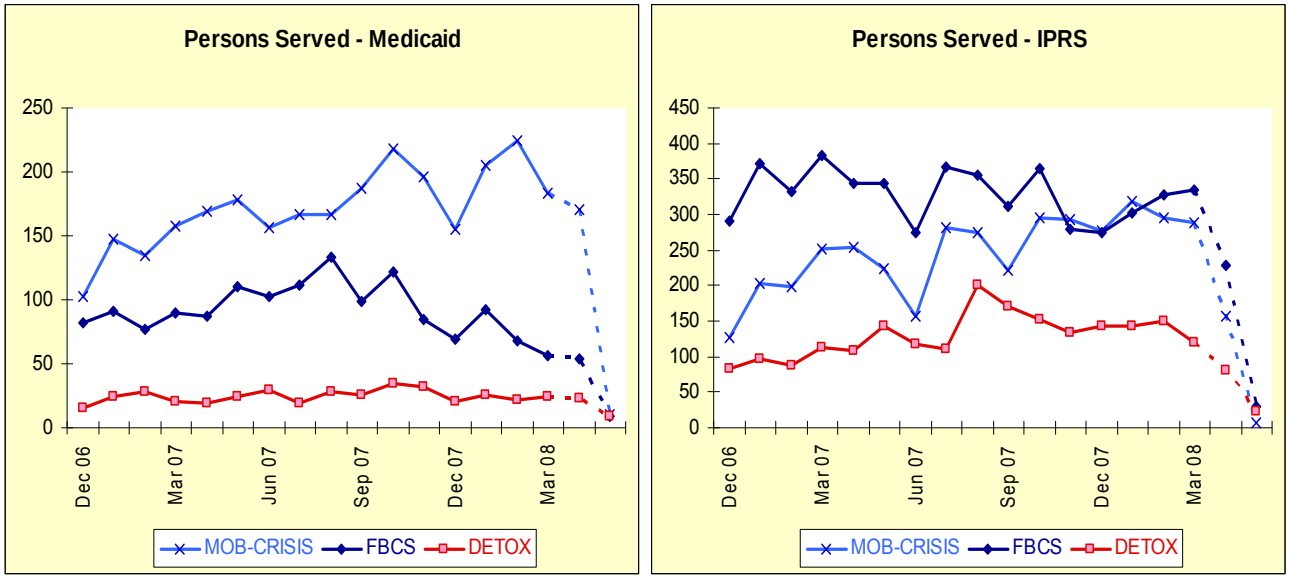
Figure 3.9
Medicaid Services and State Funded Services through IPRS for Substance Abuse Clients



Crisis Services for All Age/Disability Populations

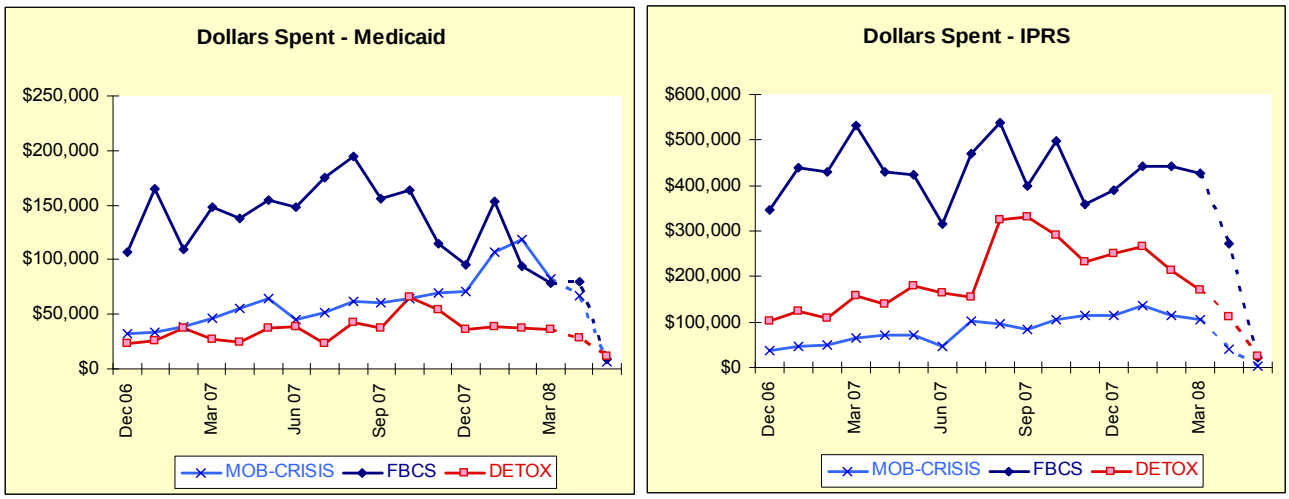
The number of individuals receiving Mobile Crisis Management (MOB-CRISIS) services, Professional Treatment Services in Facility Based Crisis Program Services (FBCS), and Non-Hospital Medical Detoxification (DETOX) totaled 1,005 individuals in March 2008, with 264 served through Medicaid funds and 741 served through state IPRS funds. Among Medicaid-funded services, shown in Figure 3.10 more persons received MOB-CRISIS than FBCS or DETOX combined. However, among State-funded services, FBCS and MOB-CRISIS now serve similar numbers of persons.

Figure 3.10
Medicaid Services and State Funded Services through IPRS for Crisis Services



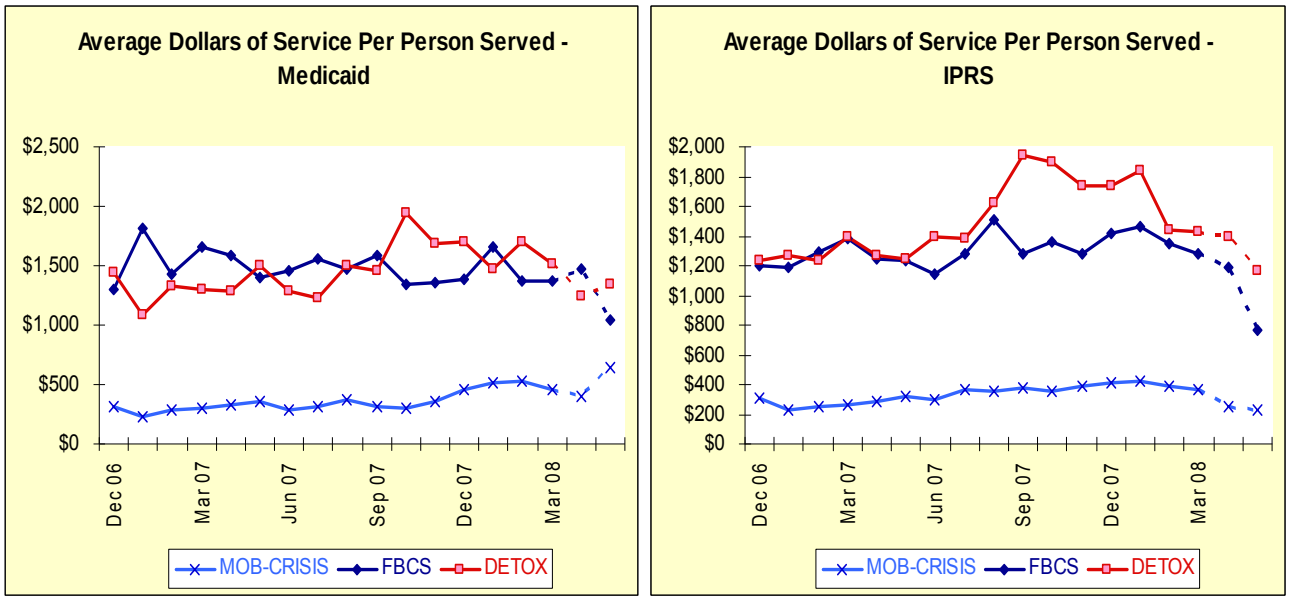
In Figure 3.11 below State Funds spent for MOB-CRISIS have increased gradually over the past 9 months, while DETOX and FBCS have fluctuated. Medicaid funding spent on FBCS has fluctuated during the past several months, while MOB-CRISIS has increased over the past 6 months, and DETOX remained fairly steady.

Figure 3.11
Medicaid Services and State Funded Services through IPRS for Crisis Services



In Figure 3.12 below, fluctuations in Medicaid-funded FBCS and State-funded FBCS yield no consistent pattern of average dollars of service per person over the past 18 months. Medicaid-funded MOB-CRISIS has increased slightly during that time. State-funded FBCS and MOB-CRISIS have remained fairly steady. State and Medicaid-funded DETOX dollars per person have fluctuated over the past 18 months.

Figure 3.12
Medicaid Services and State Funded Services through IPRS for Crisis Services



Conclusion

Overall, the use of Community Support services has continued to decrease since over the past 18 months. The provision of Day Treatment and Intensive In-Home services has increased for children and adolescents, while Assertive Community Treatment Team and Community Support Team have increased for adults. In contrast, over the past few months the use of Medically Monitored Community Residential Treatment has stopped. The Division will continue to monitor the use of services through the Medicaid Management Information System, Integrated Payment Reporting System, and several required state review processes.