

**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

November 2008

Session Law 2007-323

House Bill 1473

Section 10.49.(ee)

December 31, 2008

North Carolina Department of Health and Human Services

Executive Summary

Legislation in 2007 required 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 November 2008 report includes data on the past 18 months of services. The following highlights provide a summary of that information.

Highlights

- In September 2008, slightly over 22,600 children and slightly over 11,100 adults received Medicaid-funded Community Support services. Additionally, 637 children and adolescents and slightly over 3,500 adults received State and block grant funded Community Support services.
- Slightly under 480,000 hours of Medicaid-funded Community Support services, at a cost of approximately \$24.6 million, were provided to children and adolescents in September 2008. State-funded Community Support services for children and adolescents totaled slightly over 6,300 hours and cost almost \$323,000.
- Medicaid-funded Community Support services for adults totaled slightly over 198,000 hours in September 2008, at a cost of slightly over \$10.2 million. Slightly over 18,000 hours of State-funded services for adults were provided that month, at a cost slightly over \$939,000.
- In September 2008, the use of Medicaid-funded Community Support services averaged 21 hours per month for slightly over 10 months for children and adolescents and 18 hours per month for slightly over 12 months for adults. State-funded services were provided for half that long, on average, and at less than half of the intensity.
- As of November 30, 2008, 1,299 provider sites were actively enrolled with Medicaid to provide Community Support services and the enrollment of 555 providers had been terminated.
- 1,145 provider sites have been referred to the Division of Medical Assistance for further investigation. Of those, 39 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 September 2008 were found in assertive community treatment teams (slightly over 1,900) and psychosocial rehabilitation (slightly under 1,700).
- The highest average dollars of service per person served in September 2008 for Child and Adolescent services was multi-systemic therapy for Medicaid-funded services (slightly over \$2,600) and day treatment for State-funded services (almost \$2,300). For adults, Medicaid-funded community support team (slightly over \$2,800) and facility based crisis services (slightly over \$1,300) had the highest average.
- The most expensive enhanced services after Community Support (child and adolescent, and adult) in September 2008 were community support-team at slightly over \$5 million and assertive community treatment teams, at slightly under \$2.4 million (Medicaid and State funds combined).

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Introduction

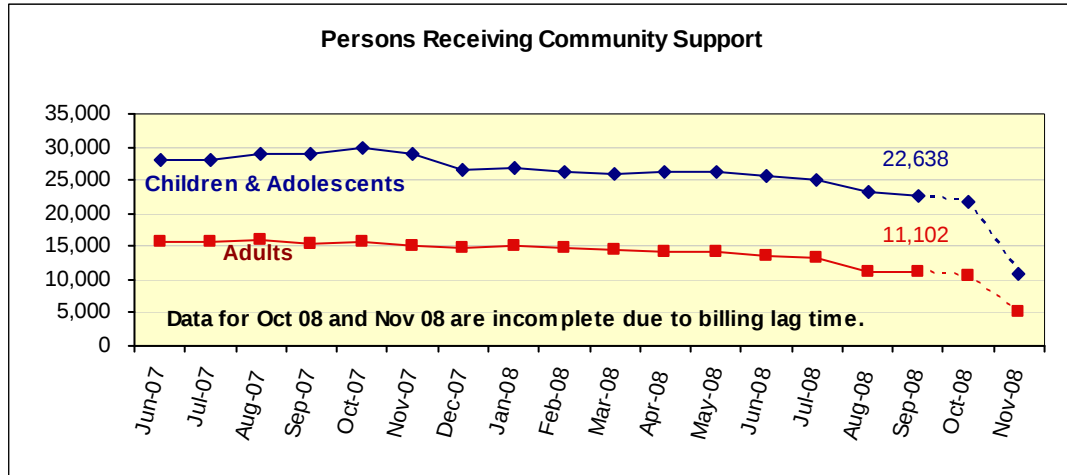
The *Monthly Report on Community Support Services* is presented in response to Session Law 2007-323, House Bill 1473, Section 10.49.(ee). The following pages show the utilization of Community Support and other Enhanced Benefit services from June 2007 to November 2008 (See page 23 for additional details). The use of Community Support services reached a peak in the spring of 2007 with over 41,000 persons being served at a cost of over \$100 million dollars per month. When the rapid growth of Community Support was recognized, several legislative, policy, and rate changes (See Appendices A-C) were implemented. These changes have helped to reduce the overuse of community support and to move the system toward a more desired balance in utilization of the entire enhanced service array.

Use of Community Support Services

Number of Consumers

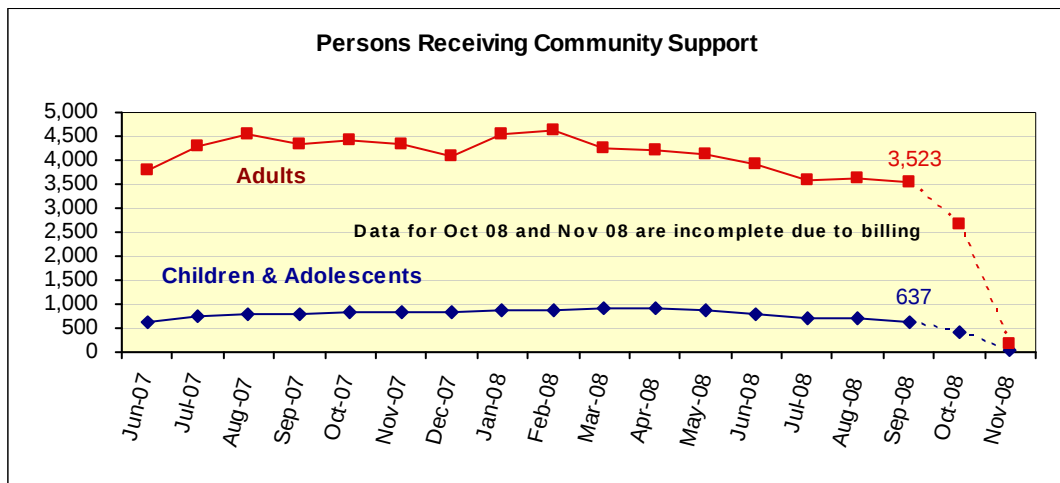
As indicated by Figure 1.1 below, the number of individuals receiving Medicaid-funded Community Support services was slightly over 22,600 children and adolescents, and slightly over 11,000 adults in September 2008.

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 February 2008 the number of adults and children and adolescents receiving Community Support continues to decrease.

Figure 1.2
State-Funded Services



Volume of Services

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 under 480,000 hours of services (slightly over 1.9 million units), and adults received slightly over 198,000 hours (slightly over 792,000 units) in September 2008.

Figure 1.3
Medicaid-Funded Services

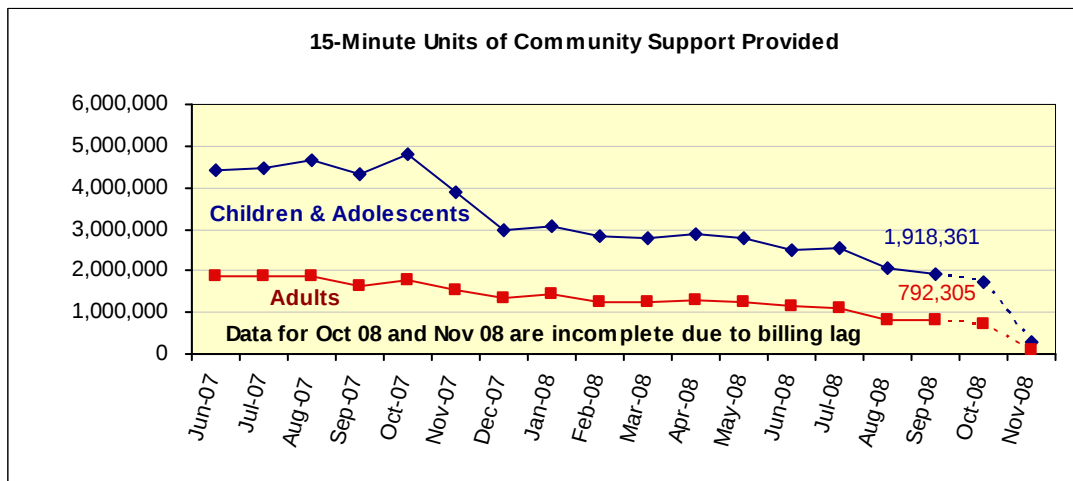
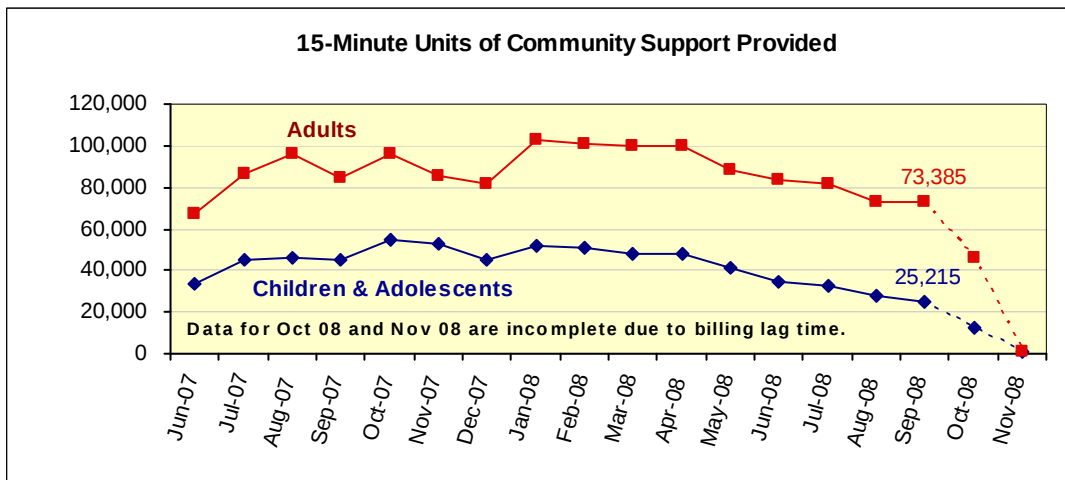


Figure 1.4 on the following page, continues to show a significant decrease in State-funded services from June 2007 to September 2008 for adults. Since January 2008 the units of service for adults had decreased to slightly over 18,000 hours (just over 73,000 units). During the same period there continues to be a decrease in the units of services for children and adolescents. Community Support provided to children and adolescents decreased to slightly over 6,300 hours (slightly over 25,000 units) in September 2008.

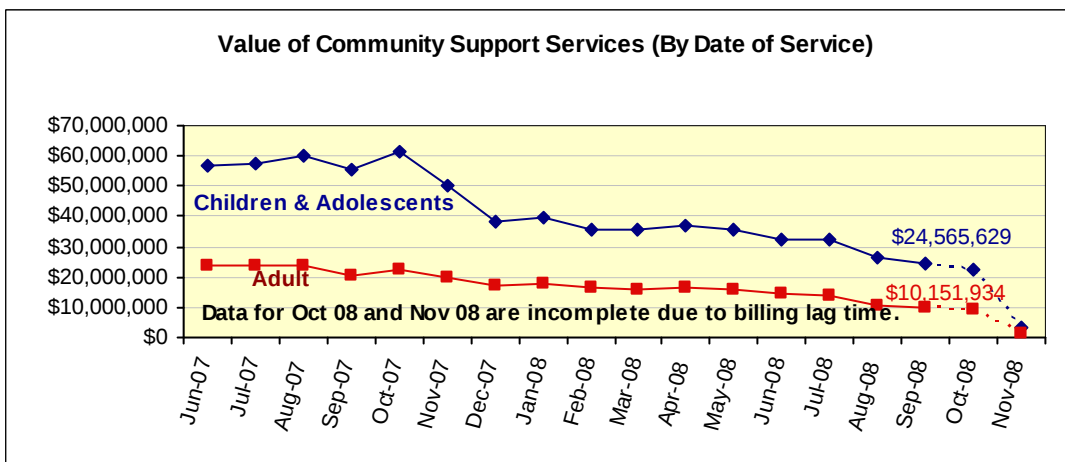
**Figure 1.4
State-Funded Services**



Cost of Services

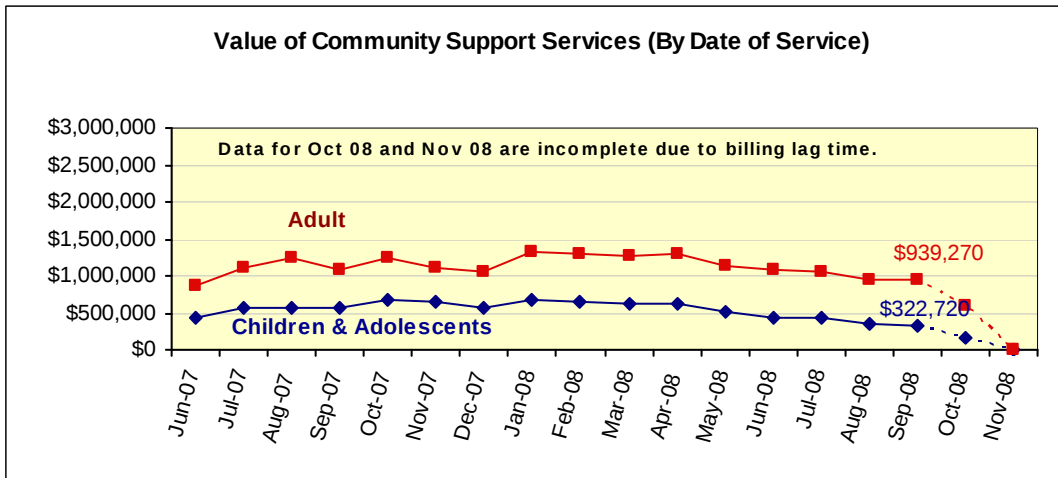
Figure 1.5 below displays the monthly Medicaid cost of Community Support services. In the month of September 2008, the cost of services provided was approximately \$24.6 million for children and adolescents and almost \$10.2 million for adults.

**Figure 1.5
Medicaid-Funded Services**



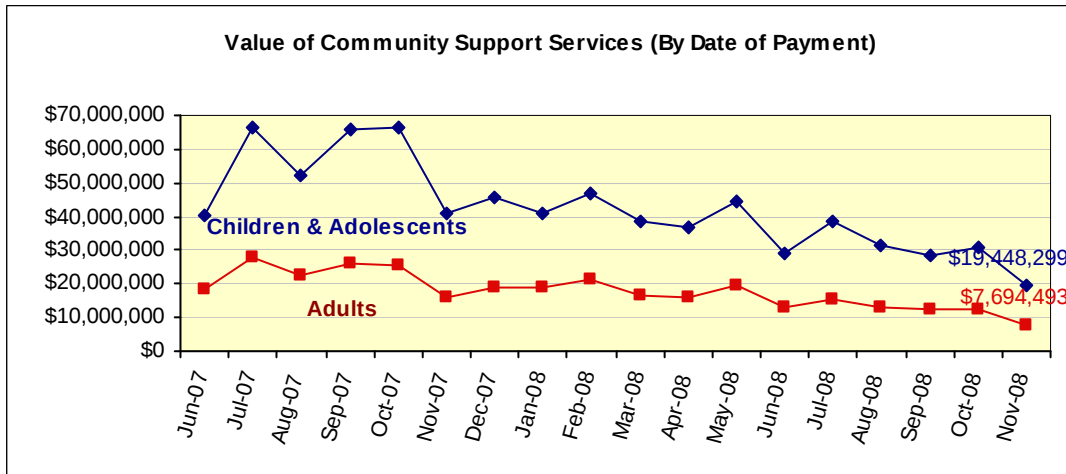
As shown in Figure 1.6 on the following page, the monthly State-funded cost of Community Support services for September 2008 has decreased to slightly over \$939,000 for adults and almost \$323,000 for children and adolescents.

Figure 1.6
State-Funded Services



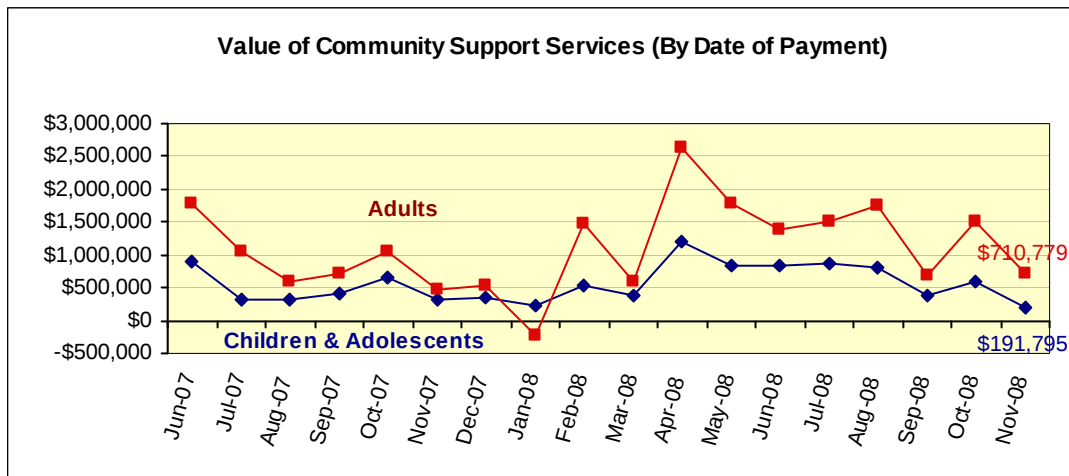
As shown in Figure 1.7, monthly Medicaid payments based on Date of Payment to providers for Community Support was slightly over \$19.4 million for children and adolescents, and almost \$7.7 million for adults.

Figure 1.7
Medicaid-Funded Services



Payments of state funds made through the Integrated Payment and Reporting System (Figure 1.8 on the following page) continue to reflect a more irregular billing pattern for Community Support. In November 2008 the amount of Community Support services paid for adults was slightly under \$711,000 and slightly under \$192,000 for children and adolescents.

Figure 1.8
State-Funded Services¹



Services by Qualified Professionals, Associate Professionals and Paraprofessionals

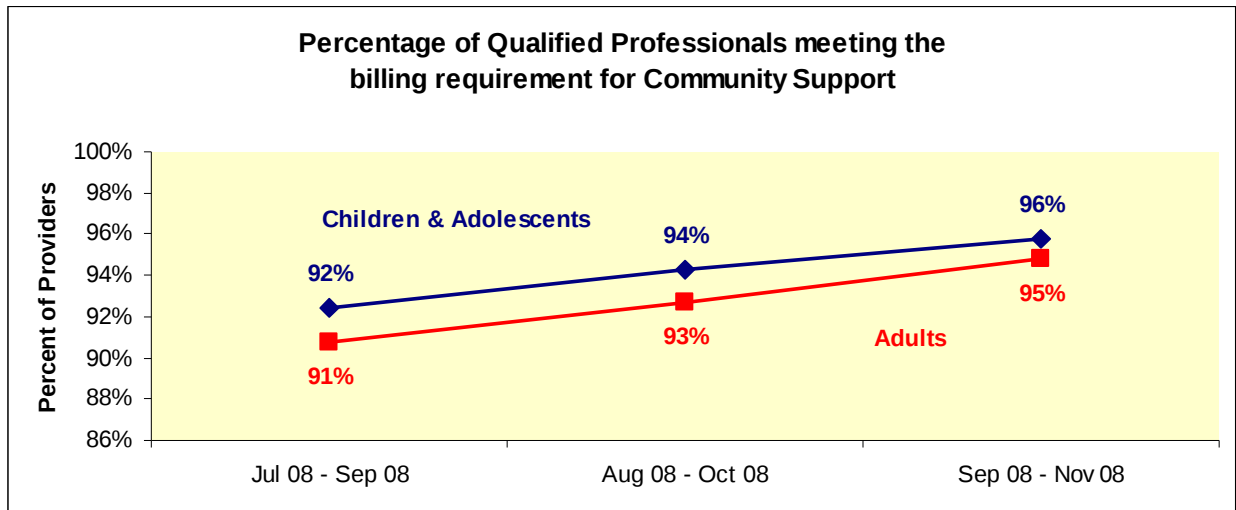
Within each provider agency enrolled to deliver Community Support services, the Qualified Professional (QP) is charged with the coordination and oversight of initial and ongoing assessment activities, ensuring linkages to the most clinically appropriate services, and with the facilitation of the Person Centered Planning process. To ensure adequate involvement and oversight by a Qualified Professional, clinical policy requires that a minimum of 25% of Community Support services per recipient be provided by the Qualified Professional over a “rolling” three month period (See Appendix B).

Figure 1.9 on the following page, shows that during the three-month period beginning July 1, 2008 and ending September 30, 2008 over 92% of Medicaid funded providers billed for qualified professional time for children and adolescents, while 91% billed for adults.² During the second three-month rolling period of August 1, 2008 to October 31, 2008 the percentage of providers meeting the requirement rose to 94% for child and adolescent services, and 93% for adult services. During the third period (September 1, 2008 to November 30, 2008) the percentages for child and adolescents rose to 96%, while the adult percentage rose to 95%.

¹ 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.

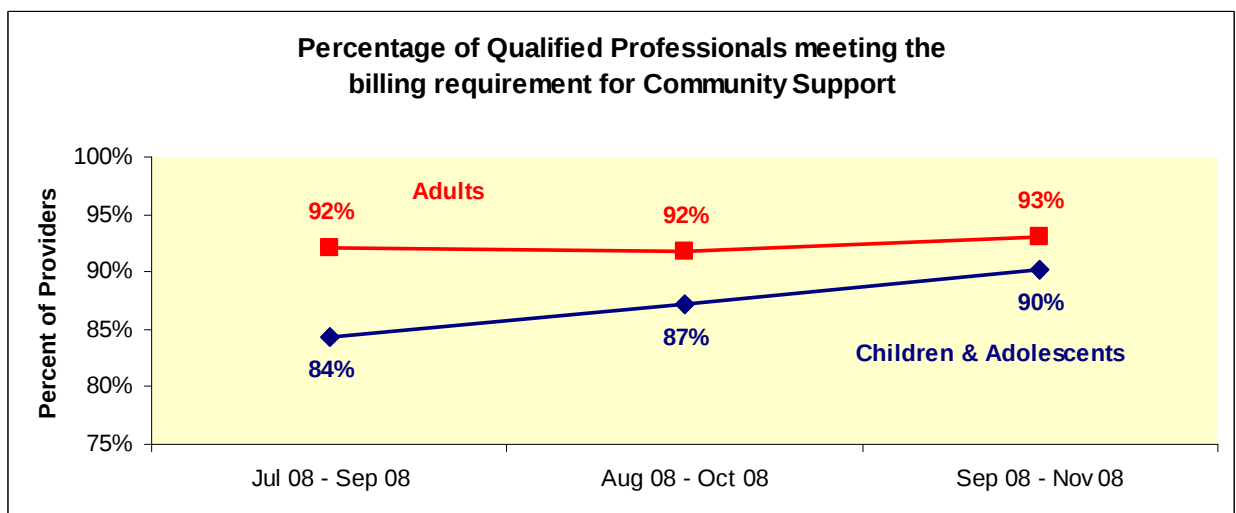
² The analysis includes services provided on or after March 1, 2008, when the requirement was implemented.

Figure 1.9
Medicaid-Funded Services



As shown in Figure 1.10 below, over 92% of adult community support providers and over three-fourths of child and adolescent providers met the qualified professional requirements for State-funded services during the first two rolling three-month periods. From September 1, 2008 to November 30, 2008, 90% of the child and adolescent providers met the qualified professional requirements, while 93% of the adult providers met the qualified professional requirements.

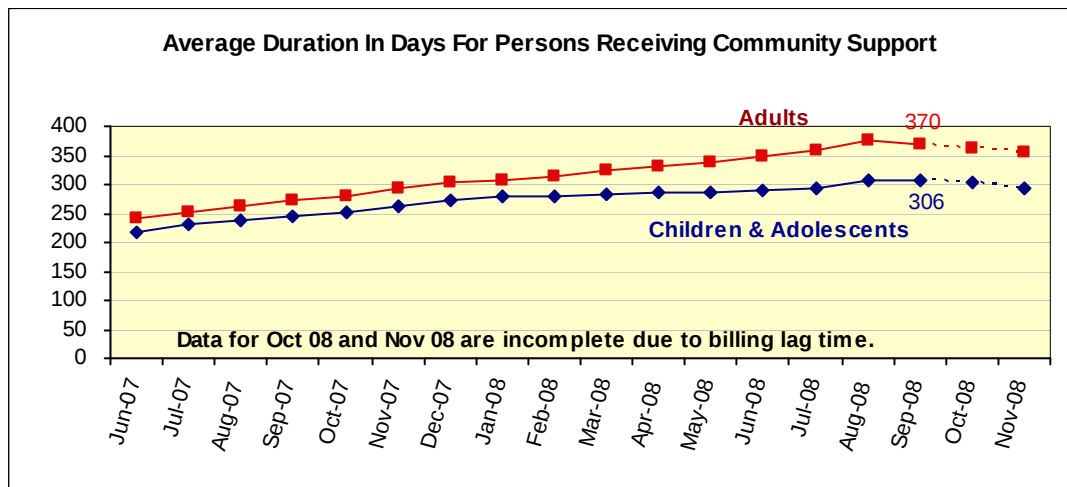
Figure 1.10
State-Funded Services



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

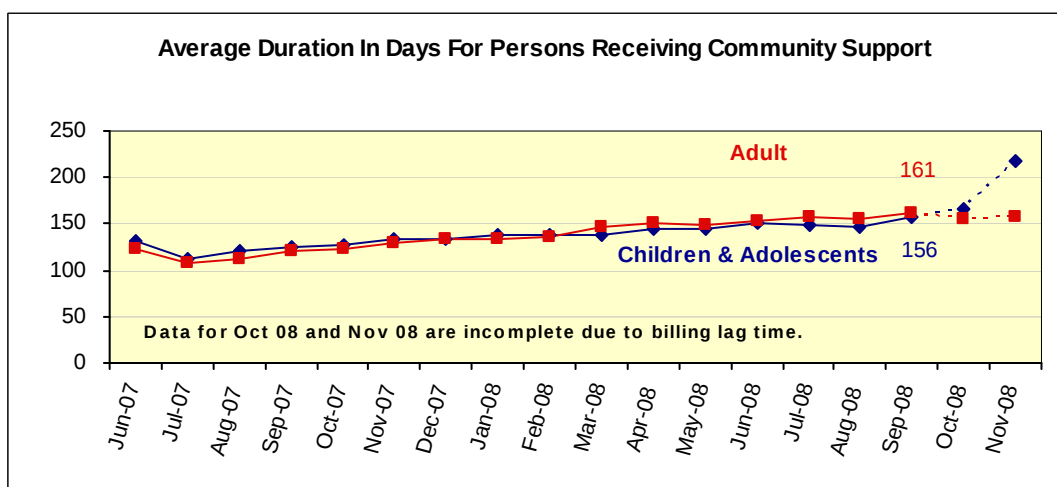
The *average length of service* or duration of services, as shown in Figure 1.11 below, shows a steady rise in the average number of days individuals remain in Community Support services. In September 2008 the average length of service was slightly over 10 months (306 days) for children and adolescents and slightly over one year (370 days) for adults.

Figure 1.11
Medicaid-Funded Services



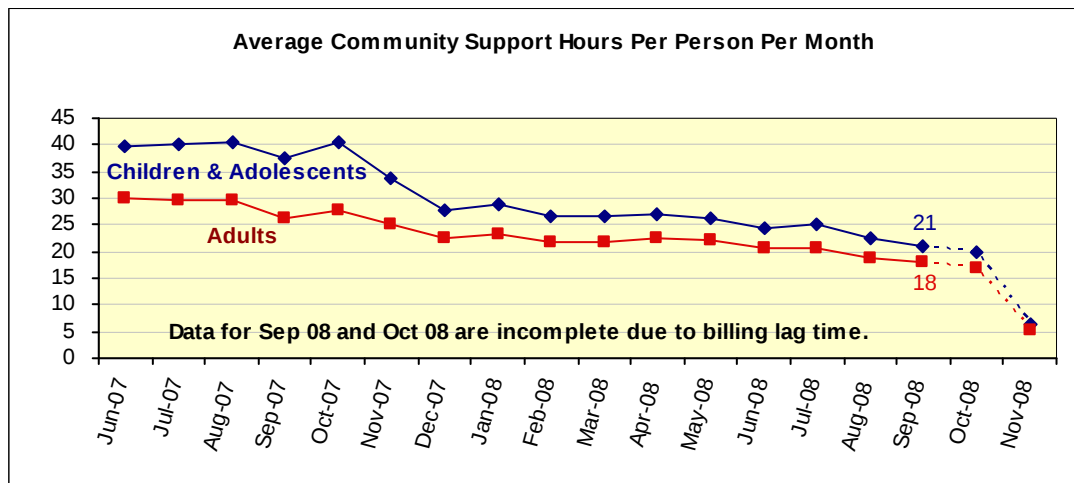
In September 2008, the *average length of service* for State-funded consumers, as shown in Figure 1.12 below, was slightly over five months for children and adolescents (156 days) and slightly over five months for adults (161 days). Preliminary data for October and November 2008 suggests that the average length of service will continue to rise for both children and adolescents and adults.

Figure 1.12
State-Funded Services



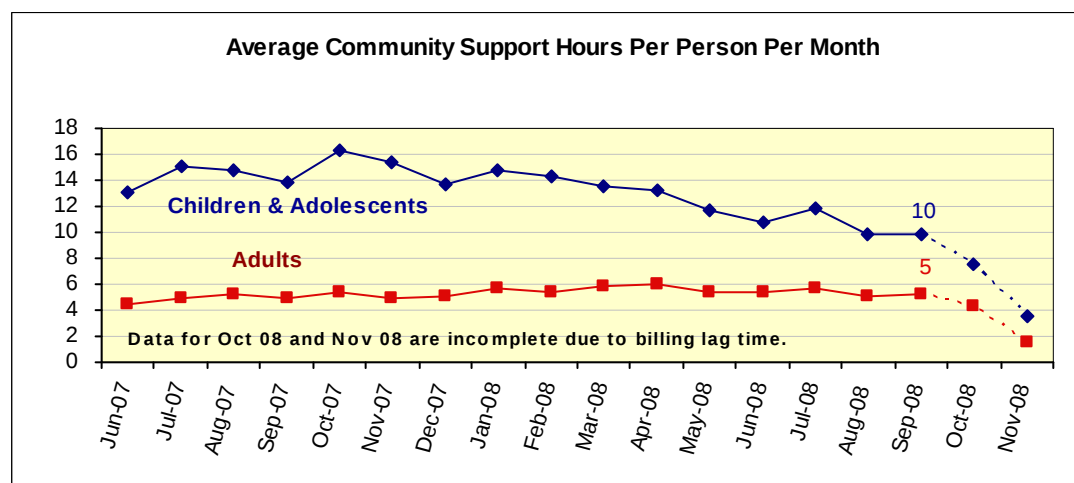
The average hours per person per month presents additional information for evaluating the intensity of the services provided. Figure 1.13 shows that the average hours per month has dropped to 21 hours for children and adolescents and 18 hours for adults.

Figure 1.13
Medicaid-Funded Services



As indicated in Figure 1.14, children and adolescents received an average of ten hours per month for State-funded Community Support services and adults received an average of five hours a month in September 2008.

Figure 1.14
State-Funded Services

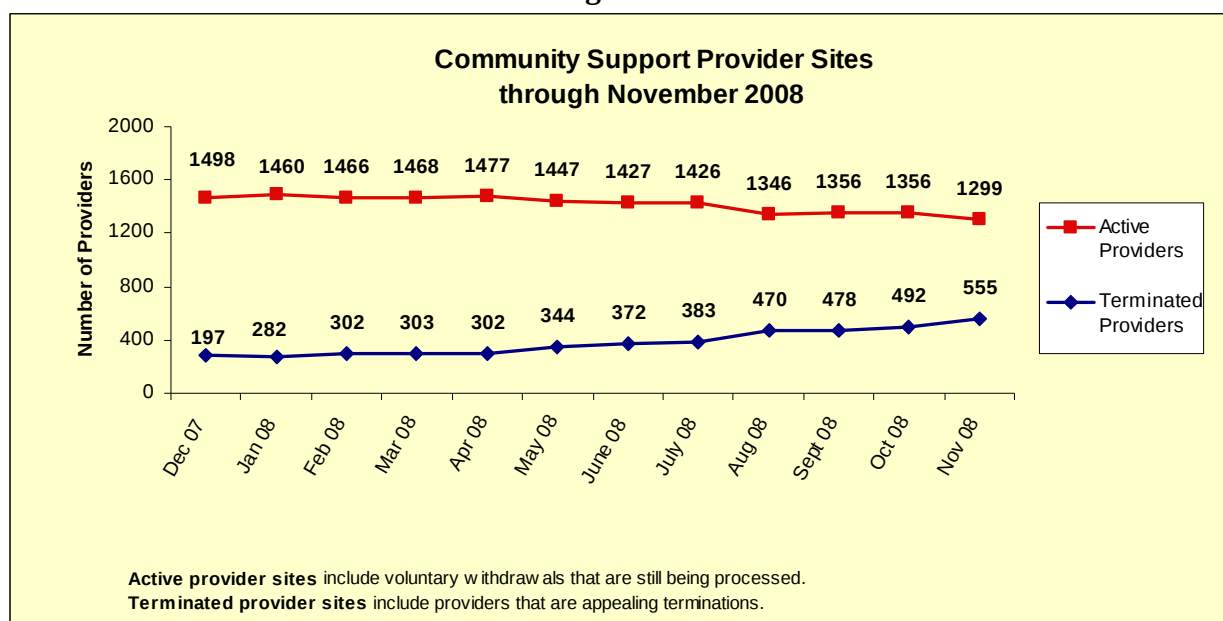


Community Support Providers

Number of Enrolled Providers

Since the enrollment of new Community Support providers was halted in November 2007, there has been an expected decrease in the number of active providers.³ As of November 30, 2008 1,299 provider sites were actively enrolled to provide Community Support services, while enrollment for 555 provider sites was terminated.⁴

Figure 2.1



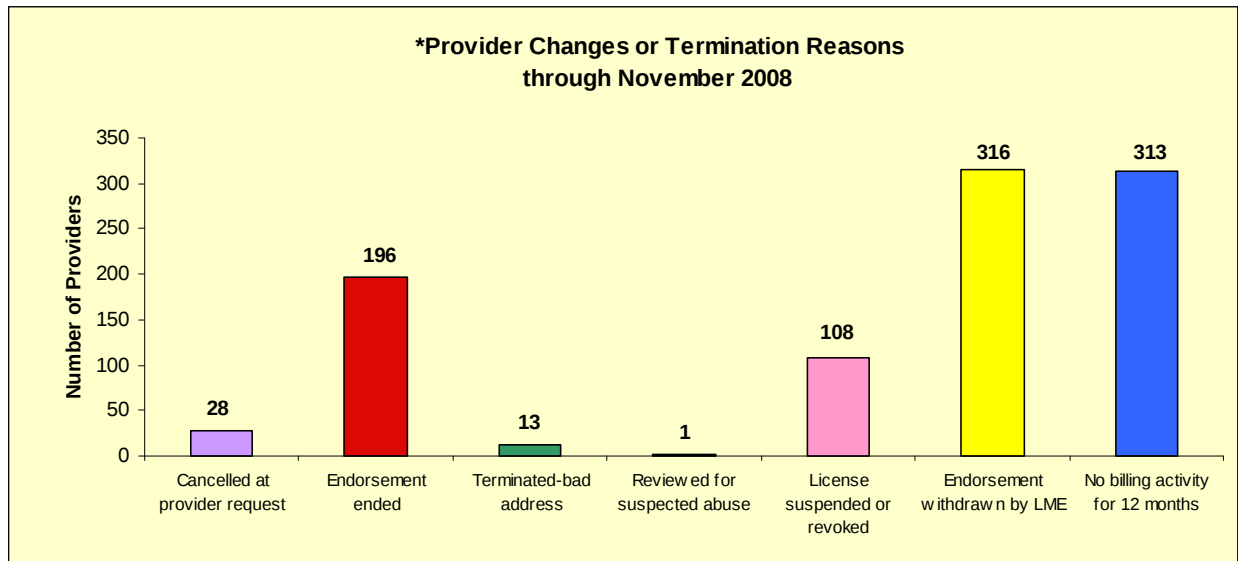
Current provider data was created on 12/8/08

Figure 2.2 on the following page, outlines reasons for changes and terminations for the 555 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.

³ 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.

⁴ The small increase in providers from January 2008 to April 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 October 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 2.3, 1,145 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. To date, the Program Integrity Section has submitted 39 provider cases for referral to the Attorney General's Medicaid Investigation Unit (MIU).⁵

Figure 2.3

Community Support Providers Referred for Further Action As of November 30, 2008				
	Previous Totals	October Totals	November Totals	Cumulative Totals
Provider cases opened by DMA Program Integrity Section	1,135	3	7	*1,145
Providers Referred by DMA to Attorney General's Medicaid Investigation Unit	39	0	0	39

*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 12/11/08.

⁵ 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.

Enhanced Services

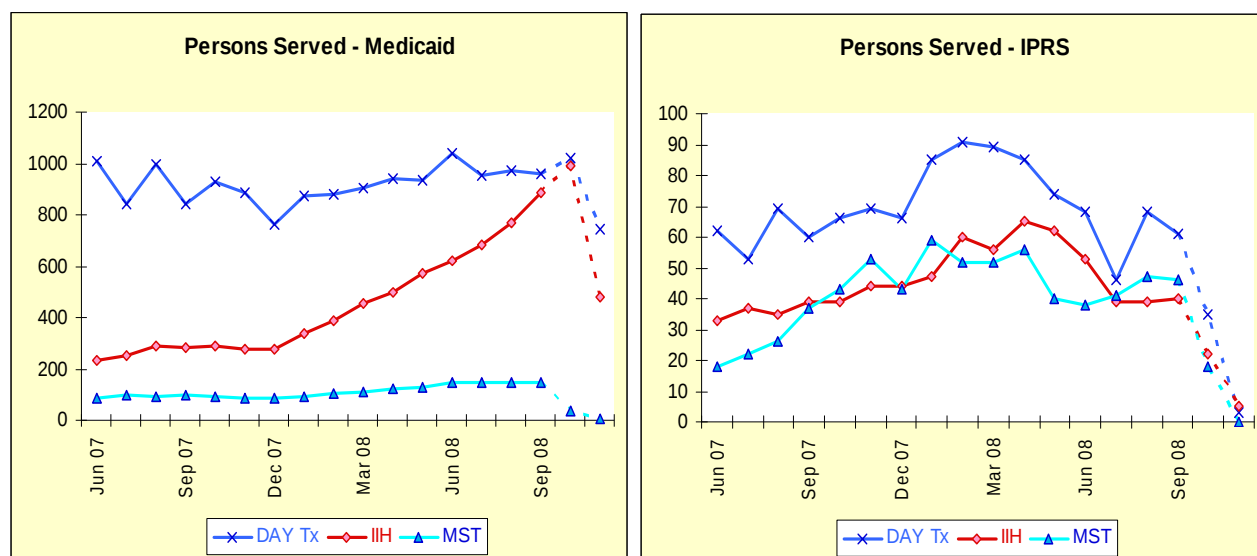
Use of Other New Enhanced Services

The number of individuals receiving other enhanced services in September 2008 remained much lower than the number of individuals who received Community Support during the same month (refer to Figure(s) 1.1 and Figure 1.2 on pages 3 and 4). The figures below represent the following four categories of other enhanced services: Services to Children and Adolescents; Services to Adults; Substance Abuse Services; and Crisis Intervention Services.

Children and Adolescents

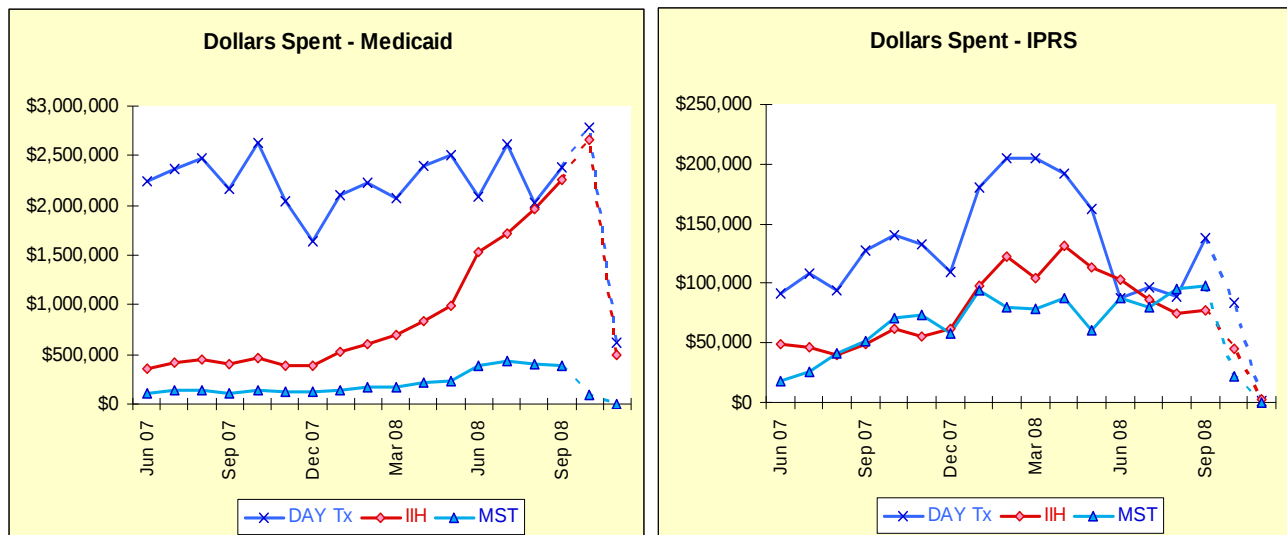
As shown in Figure 3.1 below, more children and adolescents continue to receive Medicaid funded Day Treatment (DAY Tx) than Intensive In-Home (IIH) and Multisystemic Therapy (MST). Over the past 18 months children and adolescents receiving State-funded DAY Tx has fluctuated but is still higher than both IIH and MST.

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



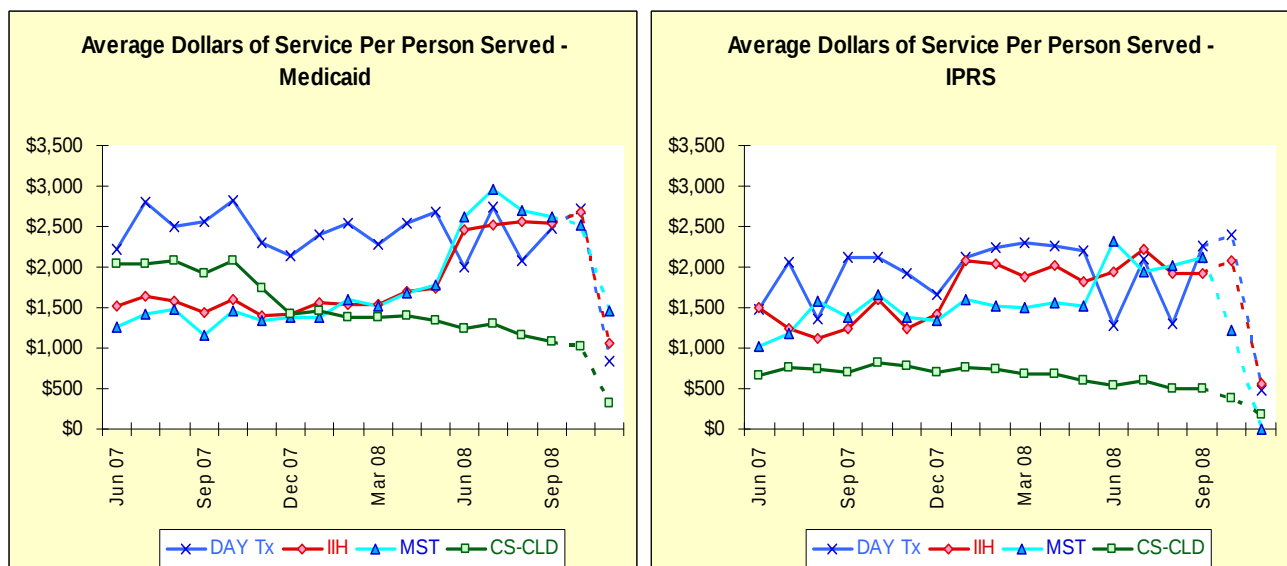
The pattern for costs, shown in Figure 3.2 reflects a decrease in spending for Medicaid and State-funded DAY Tx over the past 18 months. Medicaid-funded IIH has shown a substantial increase over the past 18 months, while MST has fluctuated. During the same period State-funded MST had a more pronounced increase.

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



In Figure 3.3 the average Medicaid and State cost of services per person has increased for IIH, and MST in the past 18 months, DAY Tx has fluctuated, while Community Support-Child (CS-CLD) has decreased over the same period.

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



Adults

Over the past 18 months the number of adults receiving Medicaid-funded Assertive Community Treatment Team (ACTT) and Psychosocial Rehabilitation (PSR) has decreased, while Community Support Team continues to increase significantly. State-funded Assertive Community Treatment Team (ACTT) and CS-TEAM has continued to increase over the past 18 months, while PSR has remained stable over the past six months.

Figure 3.4
Medicaid Services and State Funded Services for Adults

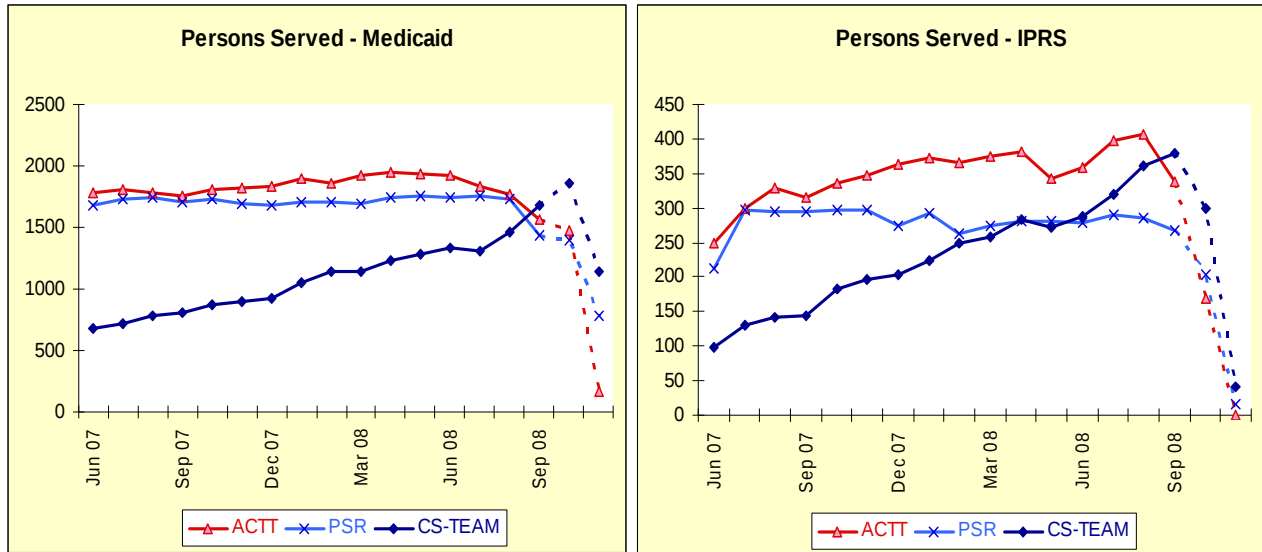
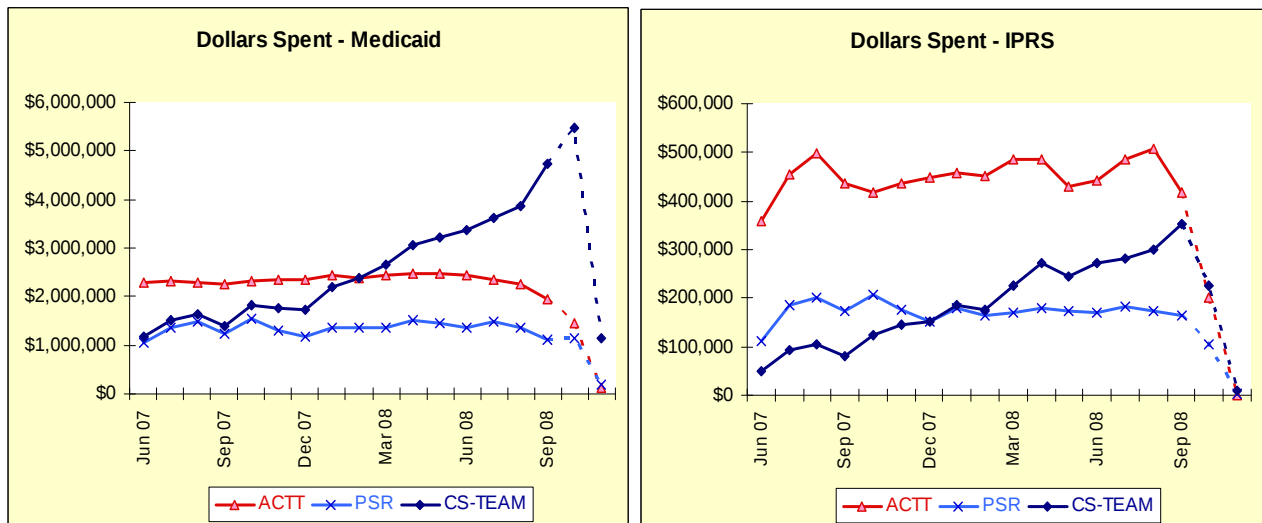


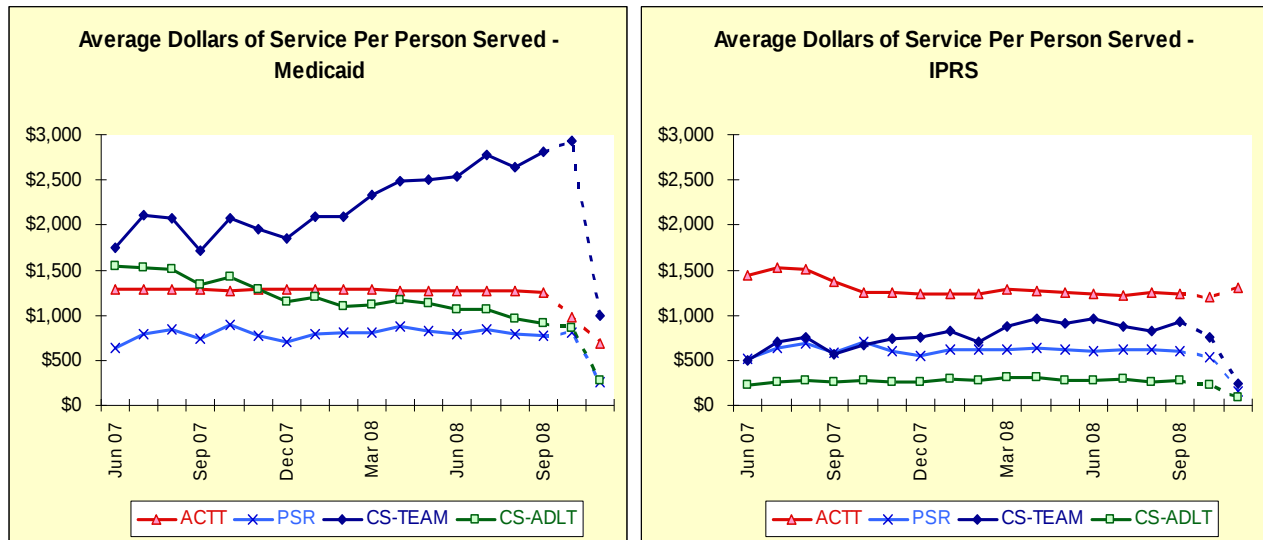
Figure 3.5 below shows similar trends over the past 18 months with large increases in the Medicaid dollars spent on CS-TEAM, and a slight decrease in ACTT and PSR services. Over the same period State dollars spent on PSR has remained relatively stable, while CS-TEAM had a noticeable increase.

Figure 3.5
Medicaid Services and State Funded Services for Adults



In Figure 3.6 the average dollars of service per person has increased for Medicaid-funded CS-TEAM, while the per-person cost remained fairly level for other services except Community Support-Adult (CS-ADULT), which has decreased over the past 18 months. The average cost per person for State-funded services has remained stable for CS-ADULT and PSR, but has increased slightly for CS-TEAM. State-funded ACTT services had the most noticeable decrease over the same period.

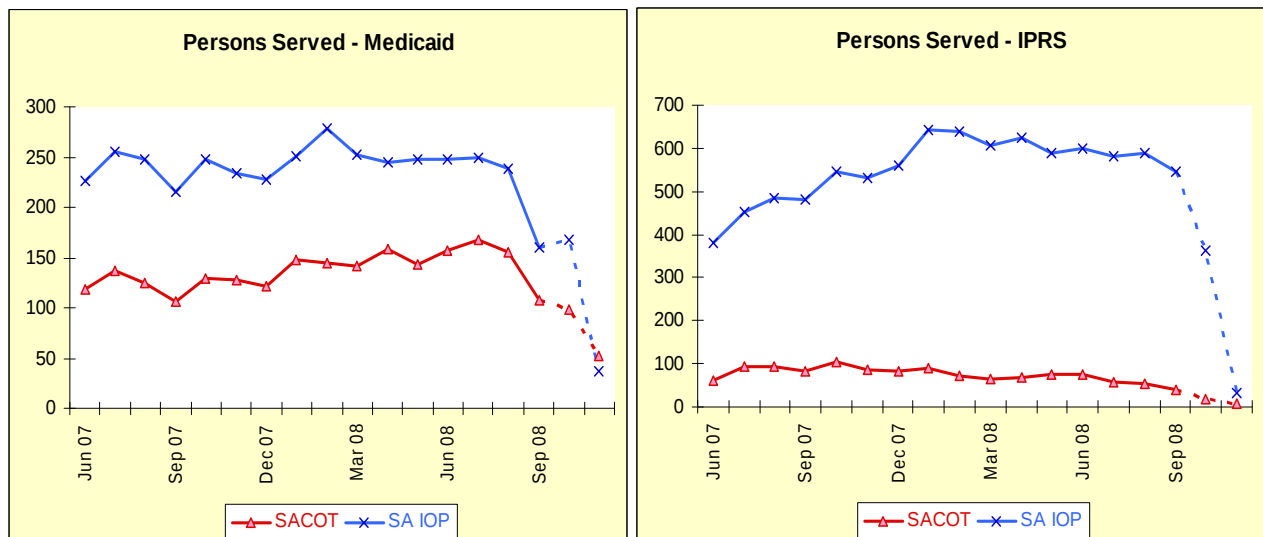
Figure 3.6
Medicaid Services and State Funded Services for Adults



Substance Abuse Services

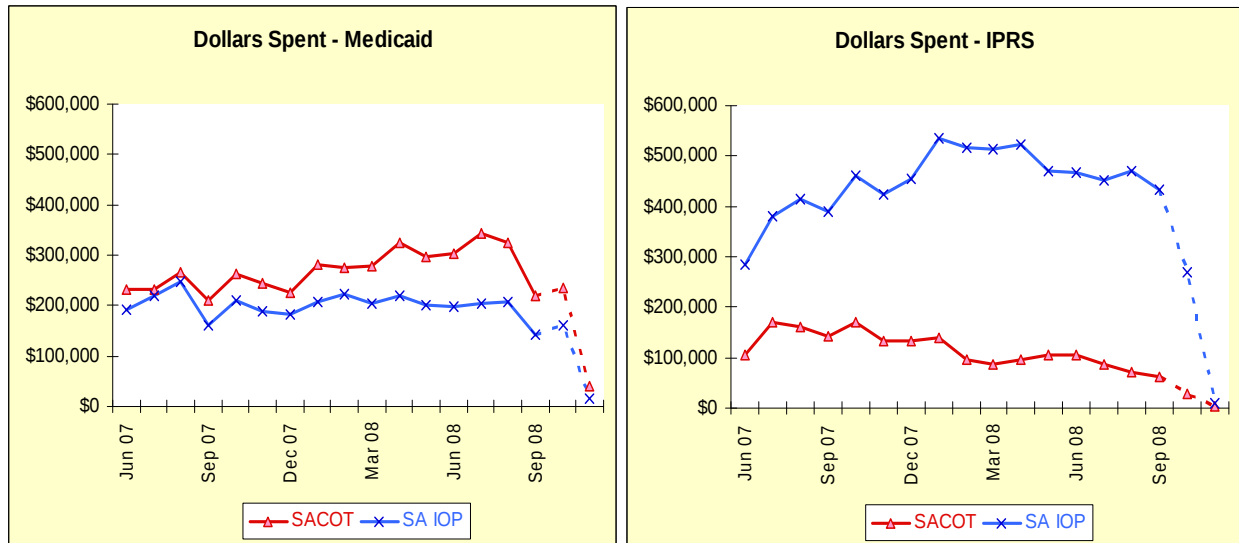
In Figure 3.7 below the number of individuals receiving Medicaid-funded Substance Abuse Intensive Outpatient Program (SA IOP) services and Substance Abuse Comprehensive Outpatient Treatment (SACOT) services has decreased since June 2007. During the same period State-funded SACOT decreased, while SA IOP has continued to decline since January 2008.

Figure 3.7
Medicaid Services and State Funded Services for Substance Abuse



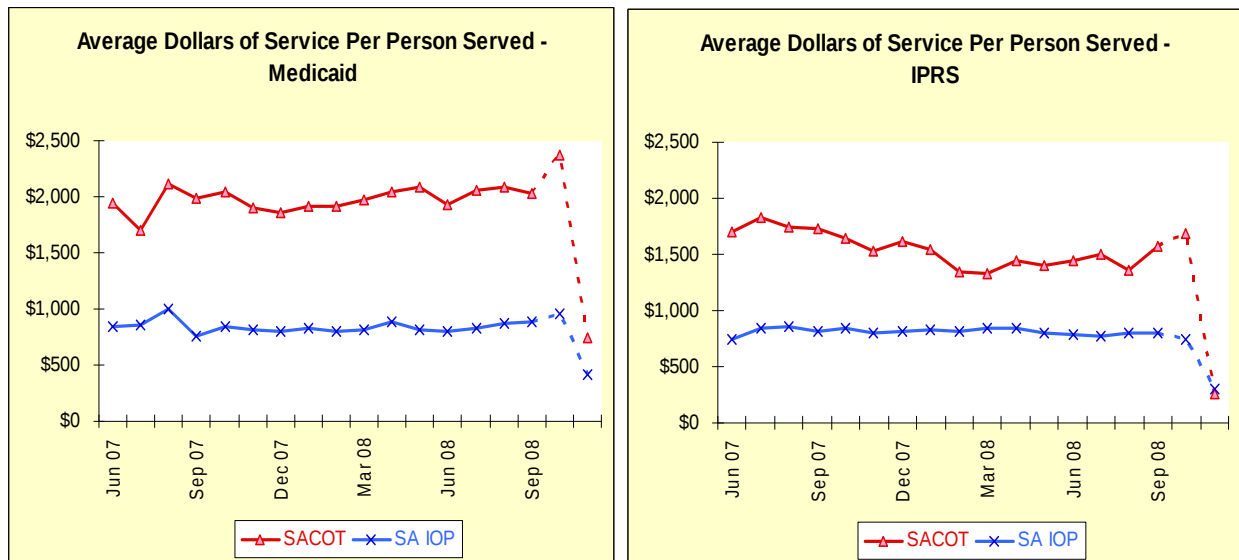
As shown in Figure 3.8 below, spending for Medicaid-funded SACOT and SA IOP has shown a large decrease in August and September. Since January 2008 State-funded SA IOP and SACOT has continued to decrease.

Figure 3.8
Medicaid Services and State Funded Services for Substance Abuse



In Figure 3.9 below, the average dollars per person for Medicaid-funded Substance Abuse Comprehensive Outpatient Treatment (SACOT) and Substance Abuse Intensive Outpatient Program (SA IOP) has been fairly stable over the past 18 months, while State funded services decreased slightly for SACOT and has been fairly level for SA IOP.

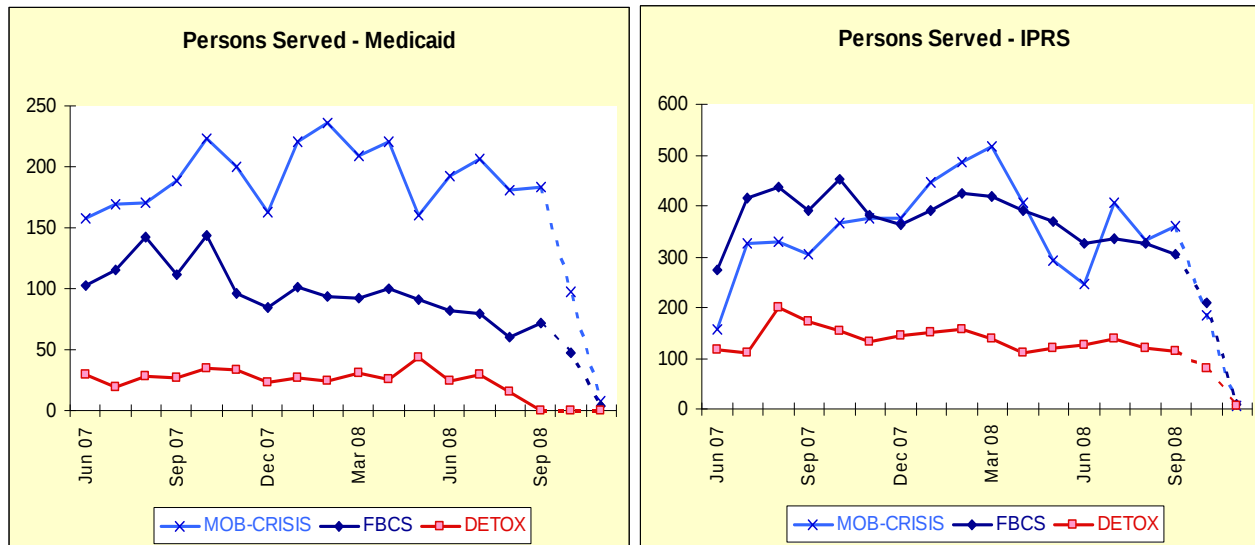
Figure 3.9
Medicaid Services and State Funded Services for Substance Abuse



Crisis Services for All Age/Disability Populations

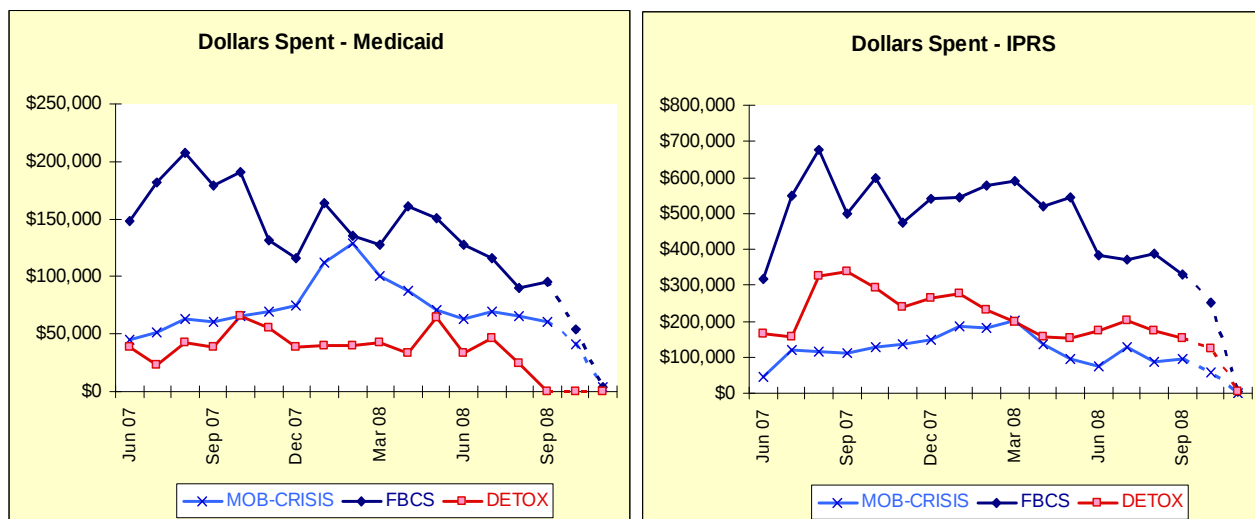
As shown in Figure 3.10, the number of individuals receiving Medicaid and State-funded Facility Based Crisis Program Services (FBCS) and Non-Hospital Medical Detoxification (DETOX) has decreased, while Medicaid-funded Mobile Crisis Management (MOB-CRISIS) has fluctuated. No individuals utilized DETOX during the month of September 2008. In contrast, State-funded MOB-CRISIS has decreased since March 2008.

Figure 3.10
Medicaid Services and State Funded Crisis Services



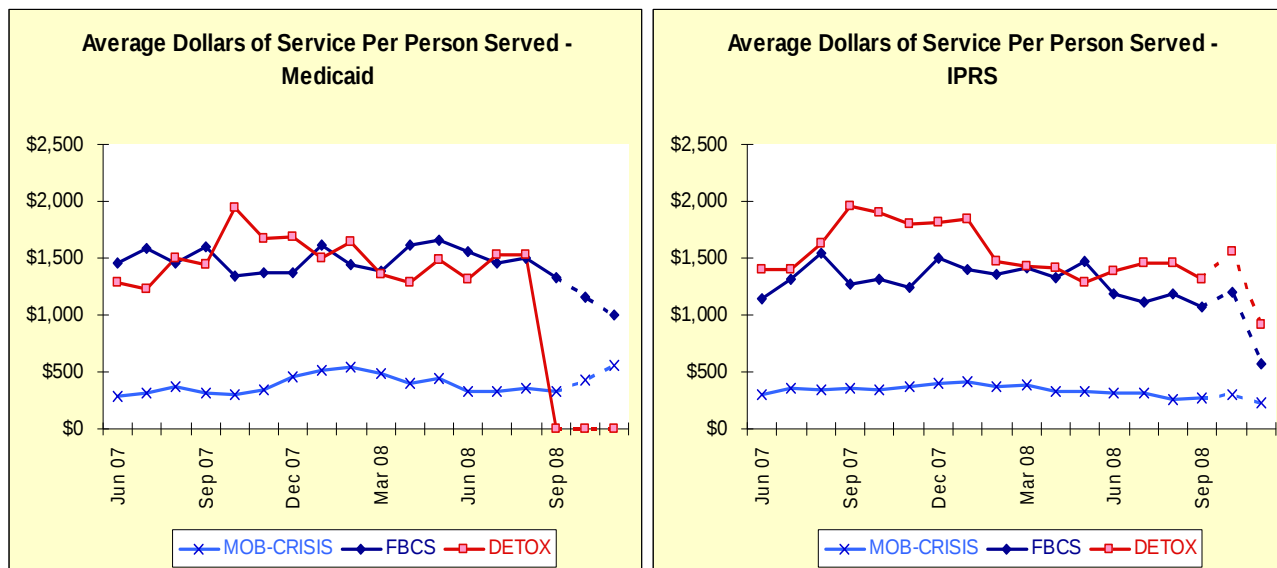
In Figure 3.11 below, Medicaid and State funding spent on FBCS has decreased since June 2007, while Medicaid-funded MOB-CRISIS and DETOX has decreased during the past few months. State funding for DETOX has also decreased since September 2007, while FBCS has decreased since August 2007.

Figure 3.11
Medicaid Services and State Funded Crisis Services



As shown in Figure 3.12 below, average dollars per person for both Medicaid-funded and State-funded FBCS has fluctuated during the first 13 months, and has decreased over the most recent five months. Again, Medicaid-funded DETOX shows no usage during the month of September 2008. Medicaid and State-funded MOB-CRISIS has remained relatively stable since June 2007, while State-funded DETOX has increased slightly since May 2008.

Figure 3.12
Medicaid Services and State Funded Crisis Services



Conclusion

Overall, the use of Community Support services has continued to decrease over the past 18 months while the use of other Enhanced Benefit Services are beginning to grow. Recent legislative and policy changes, such as the Department’s revision of the rates for Enhanced Benefit Services, are beginning to have an impact on the use of Community Support and other Enhanced services detailed in this report. For example, during the month of September 2008 no providers billed for Medicaid-funded Non-Hospital Medical Detoxification (DETOX) services. This may be indicative of “billing lag” or underutilization of Detoxification services.

Careful and continued examination of the Community Support data may help to shed new light on the level of funding, and the volume and quality of services needed to strengthen our system. In addition, the Department will continue to monitor the use of services through the Medicaid Management Information System, Integrated Payment Reporting System, and other required state review processes.

Appendix

Appendix A

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.”*

Appendix B

Summary Notes

About the Data: The November 2008 Community Support report includes historic data for 18 months, which helps to identify trends in the use of Community Support services. The data span Medicaid-funded and State and block grant funded services paid through IPRS. The data – with the exception of Figures 1.7 and 1.8 – 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 “Cost of Services” below 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. No Medicaid data from Piedmont Behavioral Healthcare is included in the analysis because it is the only LME that has an approved waiver through the Centers for Medicare and Medicaid Services.

Cost of Services (Page 5)

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

- Patterns in service costs are calculated based on the *date of service*. These data (see Figures 1.5 and 1.6) provide a good representation of trends in *actual use and cost of services* each month. However, dollar amounts for the two most recent months 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.⁶
- Patterns in service payments are calculated using the *date of payment* of the service claim.⁷ This information (see Figures 1.7 and 1.8) provides a timely 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.

Services by Qualified Professionals and Paraprofessionals (Page 7)

- *Implementation Update #45 (July 7, 2008)* clarifies the 25% aggregate service requirement. One major change is that provider compliance will be measured over a “rolling” three month period of time. Providers will also have the right to appeal any decision to withdraw endorsement, based on their ability to document billable services delivered during the three month period.

⁶ Each monthly report includes updated expenditures for previous months to reflect additional claims as they are paid.

⁷ Calculations of service value based on the date of payment include payment adjustments. Calculations based on the date of service do not.

- *Implementation Update #46 (July 18, 2008)* outlines legislative changes that will impact all costs reported and hours billed per person in all future Community Support reports. As of August 1, 2008 all community support services are subject to prior approval, and Community Support services will be limited to 8 hours per week without prior authorization.
- *Clarification of Implementation Update #47 (August 4, 2008)* outlines the submission of proposed tiered rate changes, which will increase the percentage of services billed and delivered by Qualified Professionals to 50%. Providers will have eight months after the implementation of the tiered rates to meet the 50% standard.
- *Implementation Update #48 (September 2, 2008)* outlines rate changes for all Medicaid and State funded Enhanced Benefit services.
- *Implementation Update #49 (October 6, 2008)* outlines changes in the provider status, a date change to January 1, 2009 for three of the Enhanced Benefit Services, suspension of monitoring the 25% Qualified Professional requirement for State-funded Community Support, and a reminder to LME's to begin notifying providers that have not met the 25% requirement.
- *Implementation Update #50 (November 3, 2008)* outlines preliminary results from 2008 Community Support Medicaid Audits.
- *Implementation Update #51 (December 1, 2008)* outlines how providers can notify the Division of Medical Assistance on their current enrollment status.

Appendix C

Community Support Timeline

