

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

March 2008

Session Law 2007-323

House Bill 1473

Section 10.49.(ee)

April 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 March 2008 report includes data on the past 18 months of services. The following highlights provide a summary of that information.

Highlights

- In January 2008, almost 25,000 children and over 14,000 adults received Medicaid-funded Community Support services. Additionally, over 450 children and adolescents and over 3,000 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). The number of persons served through Medicaid remained stable, while persons served through IPRS increased.
- About 672,000 hours of Medicaid-funded Community Support services, at a cost of almost \$34.4 million, were provided to children and adolescents in January 2008. State-funded Community Support services through IPRS for children and adolescents totaled about 5,000 hours and cost under \$254,000.
- Medicaid-funded Community Support services for adults totaled over 322,000 hours in January 2008, at a cost of over \$16.5 million. About 13,600 hours of State-funded services for adults were provided that month, at a cost of almost \$697,000.
- In January 2008, the use of Medicaid-funded Community Support services averaged 27 hours per month for 9 months for children and adolescents and 23 hours per month for 10 months for adults. State-funded services were provided for about half that long, on average, and at less than half that intensity.
- As of March 31, 2008, 1,468 provider sites were actively enrolled with Medicaid to provide Community Support services and the enrollment of 303 providers had been terminated.
- Over 1,000 provider sites have been referred to the Division of Medical Assistance for further investigation. Of those, 27 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 January 2008 were found in assertive community treatment teams (slightly under 2,100) and psychosocial rehabilitation (slightly over 1,800).
- The highest *total hours* of enhanced services in January 2008— after Community Support — were for psychosocial rehabilitation and child day treatment. *Average hours per person* for these Medicaid-funded services during January remained almost three times higher than the average hours for Community Support.
- The most expensive enhanced services after Community Support in January 2008 were child day treatment at over \$2.1 million and assertive community treatment teams, at over \$2.7 million (Medicaid and State funds combined).

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Community Support Services

March 2008 Report

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 October 1, 2006 and March 31, 2008 based on service claims paid through March 31, 2008. The data on the following pages – with the exception of Figure 1.9 and 1.10 – 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 data 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.

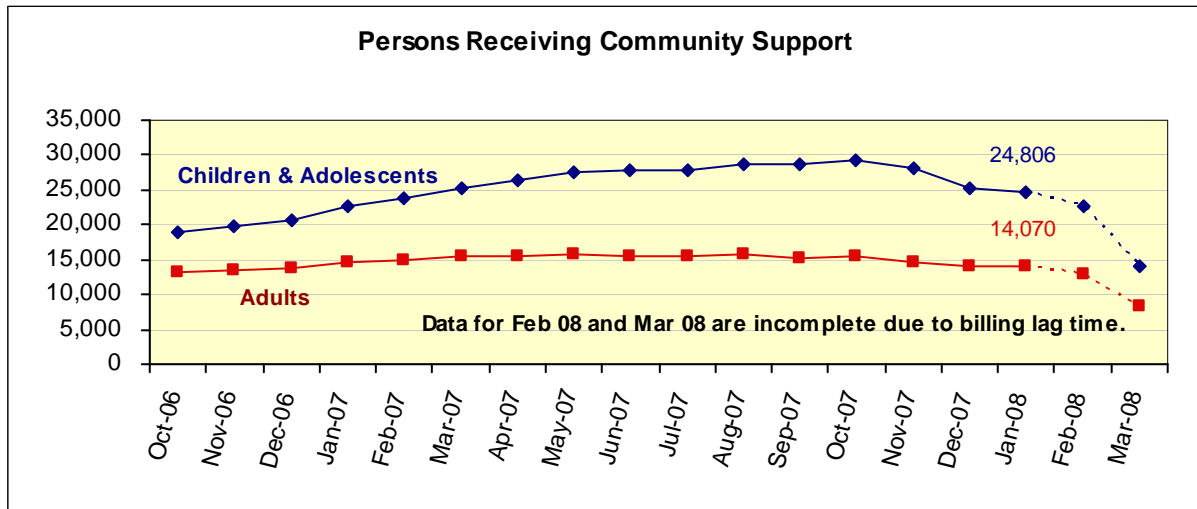
Medicaid funding defines children as ages 0-20; State funding defines children as ages 0- 17.

Use of Community Support Services

Number of Consumers

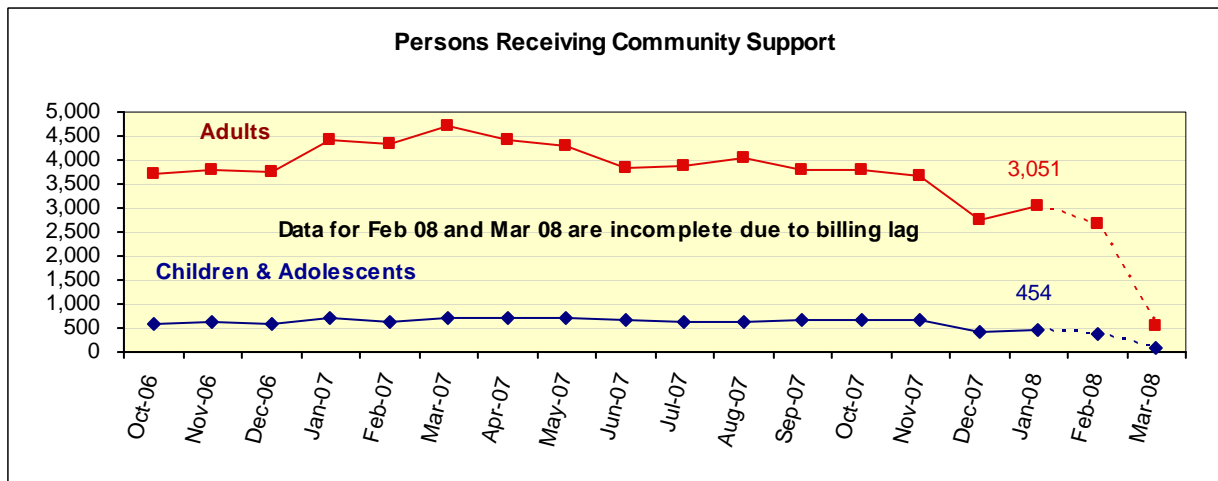
As indicated by Figure 1.1 below, the number of individuals receiving Medicaid-funded Community Support services was almost 25,000 children and adolescents, and slightly over 14,000 adults in January 2008.

**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 August 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 month's report, the units of service continue to remain stable for Medicaid-funded Community Support provided, as shown in Figure 1.3 below. Children and adolescents received slightly over 672,000 hours of services (2.7 million units), and adults received almost 322,000 hours (1.3 million units) in January 2008.

**Figure 1.3
Medicaid-Funded Services**

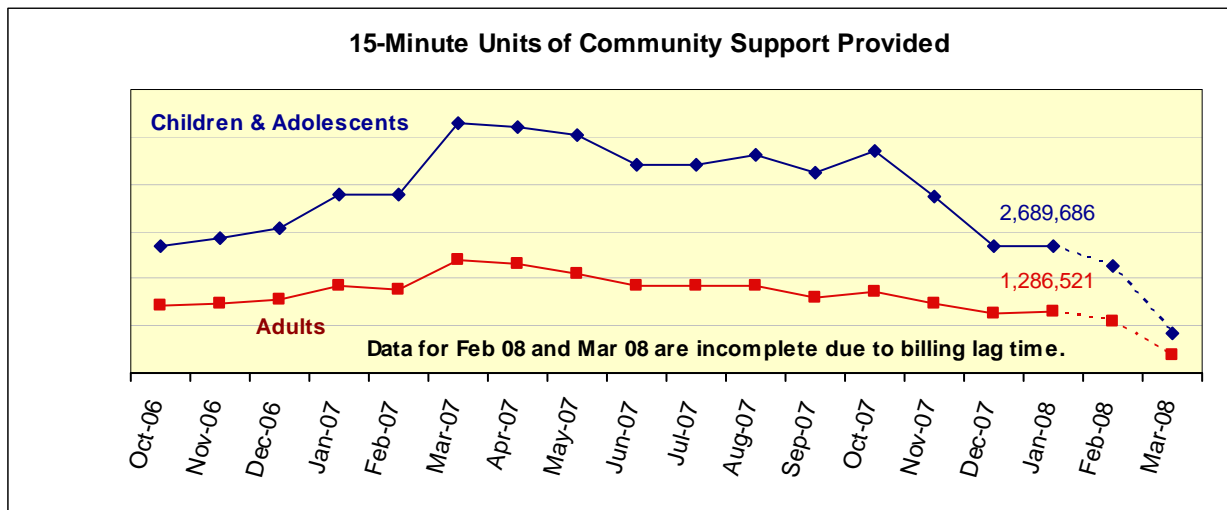
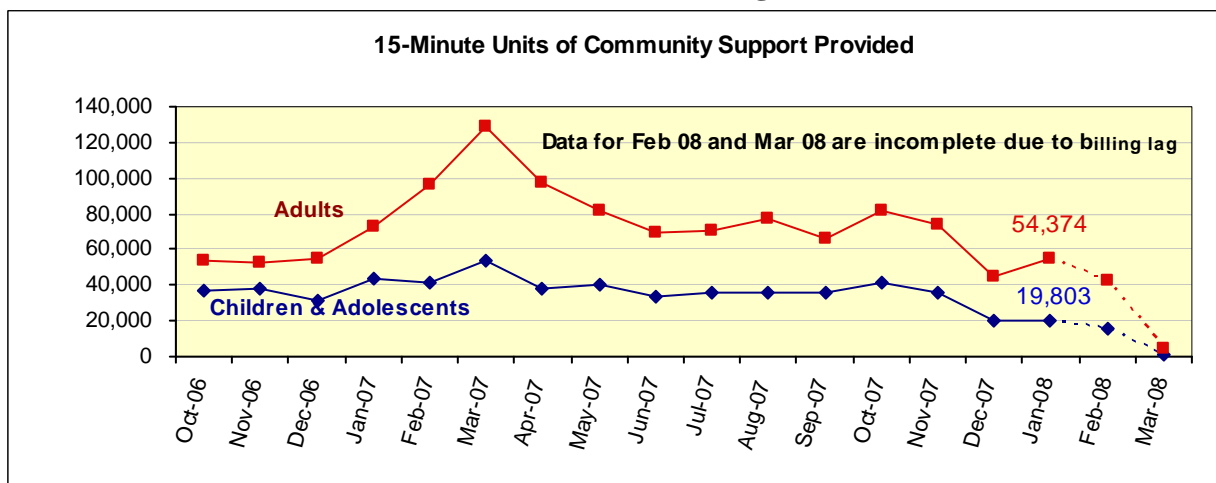


Figure 1.4 below shows significant increase in State-funded services from December 2007 to January 2008 for adults. Units of service for adults had increased to almost 13,600 hours (just over 54,000 units) in January 2008. Community Support provided to children and adolescents increased to just under 5,000 hours in January 2008.

**Figure 1.4
State-Funded Services through IPRS**



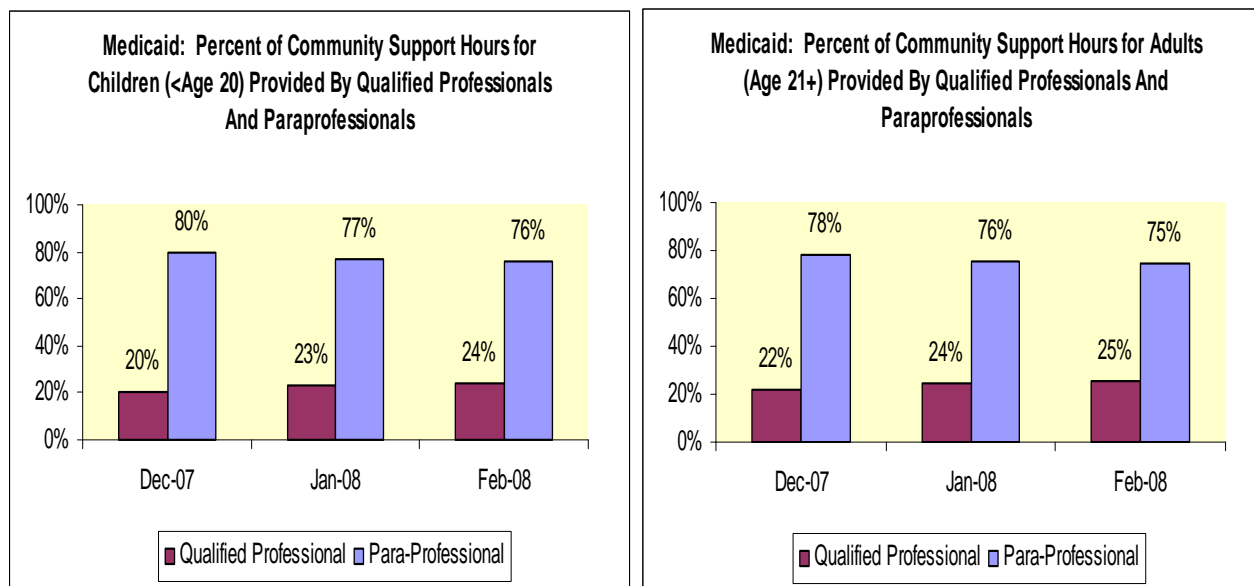
Services by Qualified Professionals, Associate Professionals and Paraprofessionals

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

Between December 2007 and February 2008 (Figure 1.5 below), an average of 23% of Medicaid-funded Community Support (CS) hours billed for children and adults were provided by a QP, exceeding the minimum requirement. During the three month period, between 75 and 80% of Community Support hours were provided by an AP or PP.

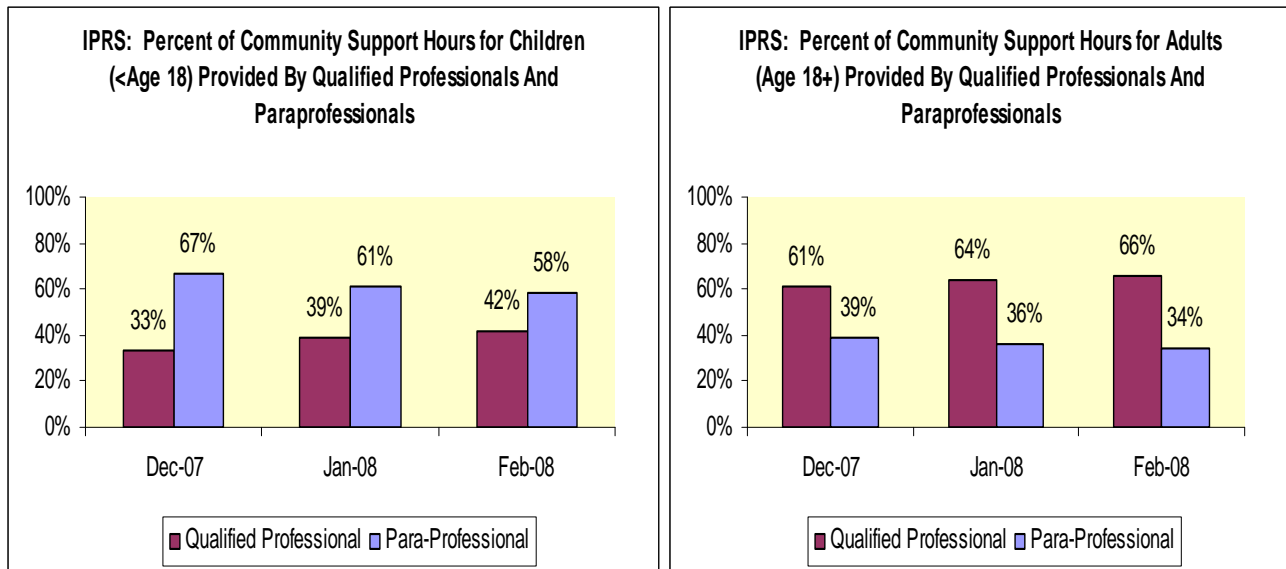
Figure 1.5
Medicaid-Funded Services



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

Between December 2007 and February 2008 (Figure 1.6), the percent of State-funded CS hours billed for children were provided by a QP increased to 42%, while the hours provided by an AP or PP decreased. During this period CS services for adults also showed an increase in the percent of hours provided by a QP and a decrease in the percent of hours provided by an AP or PP.

Figure 1.6
State-Funded Services through IPRS



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 1.7 and 1.8) provide a good representation of trends in *actual use and cost of services* each month. However, dollar amounts for the most recent months (January 2008-March 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.²

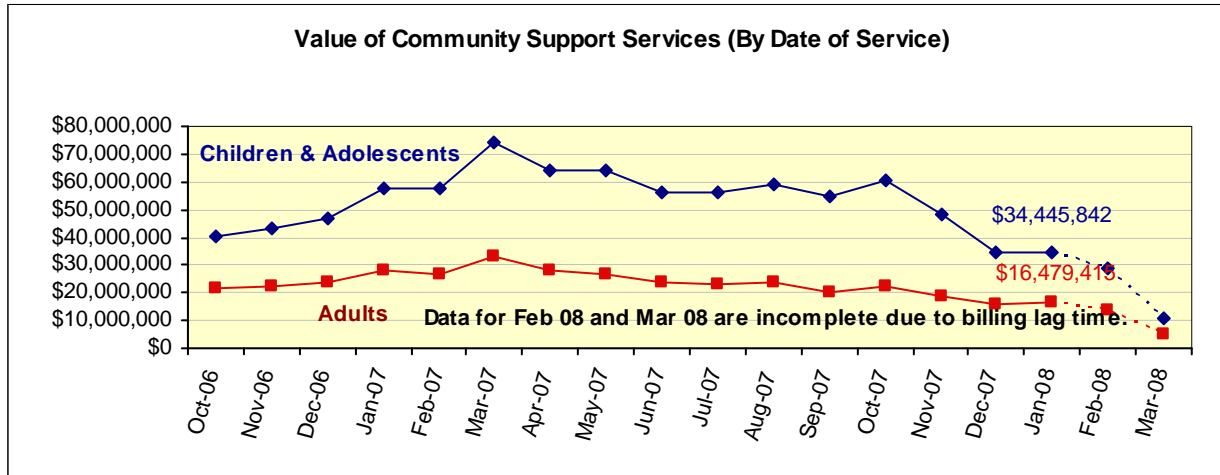
Patterns in service payments are calculated using the *date of payment* of the service claim.³ This information (see Figures 1.9 and 1.10) provides a good representation of trends in *actual funds expended* from month to month, including the most recent months. However, information based on date of payment 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.

² Each monthly report includes updated expenditures for previous months to reflect additional claims as they are paid.

³ Calculations of service value based on the date of payment include payment adjustments. Calculations based on the date of service do not.

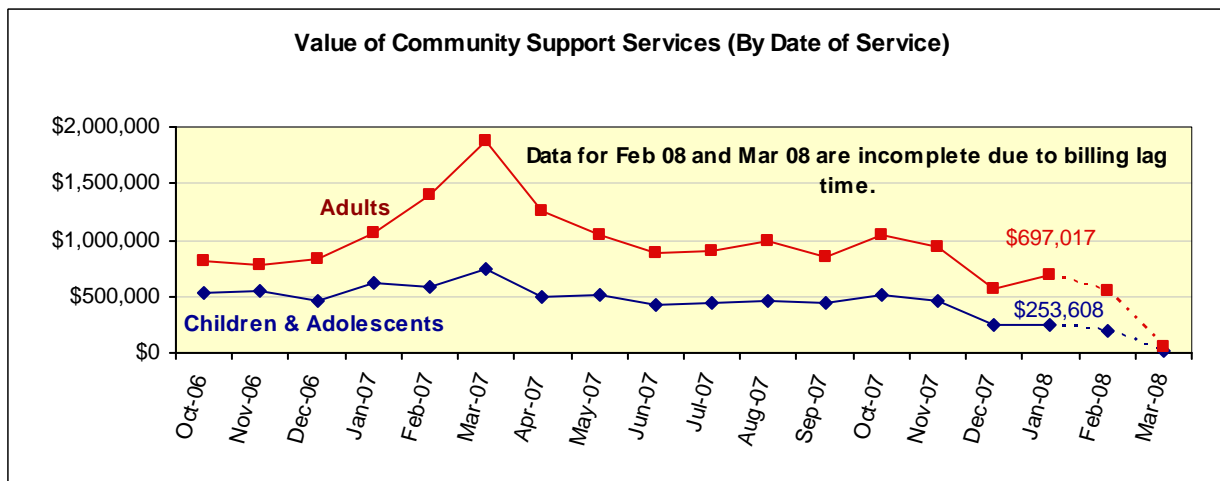
Figure 1.7 below displays the monthly Medicaid cost of Community Support services. In the month of January 2008, the cost of services provided was approximately \$34.4 million for children and adolescents and \$16.5 million for adults. After decreasing over the past nine months, costs for both age groups leveled off between December 2007 and January 2008.

Figure 1.7
Medicaid-Funded Services



As shown in Figure 1.8 below, the monthly State-funded cost of Community Support services for January 2008 has increased to \$697,000 for adults. Child and adolescent services costs have increased to \$254,000.

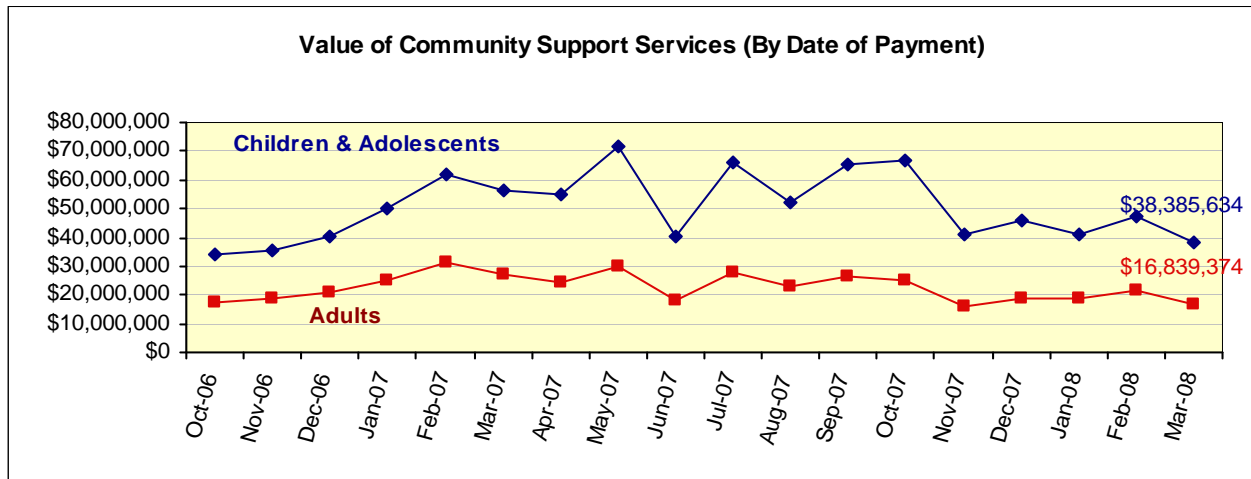
Figure 1.8
State-Funded Services through IPRS ⁴



⁴ Data includes the estimated cost of services provided in LMEs that receive Single Stream funding. The estimated cost of service is calculated based on the allowed rate of service multiplied by units of service reported. This estimate could slightly overstate the actual costs presented because of possible duplicate claim submissions.

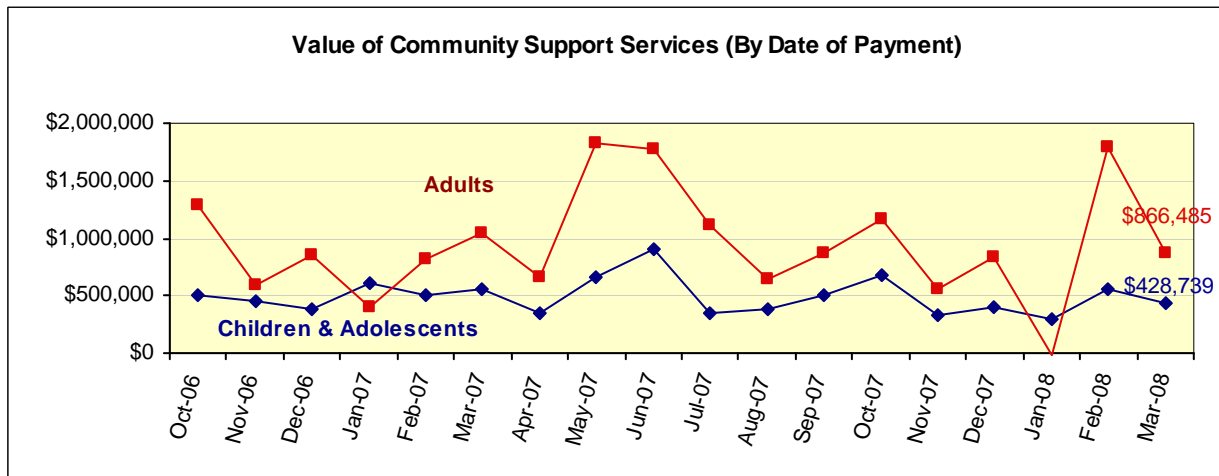
As shown in Figure 1.9, monthly Medicaid payments to providers for Community Support in March 2008 totaled over \$38 million for children and adolescents and almost \$17 million for adults.

**Figure 1.9
Medicaid-Funded Services**



Payments of state funds made through the Integrated Payment and Reporting System (Figure 1.10 below) reflect a more irregular billing pattern for Community Support. In March 2008 the amount of Community Support services paid for adults was over \$866,000 and almost \$429,000 for children and adolescents

**Figure 1.10
State-Funded Services through IPRS ⁵**

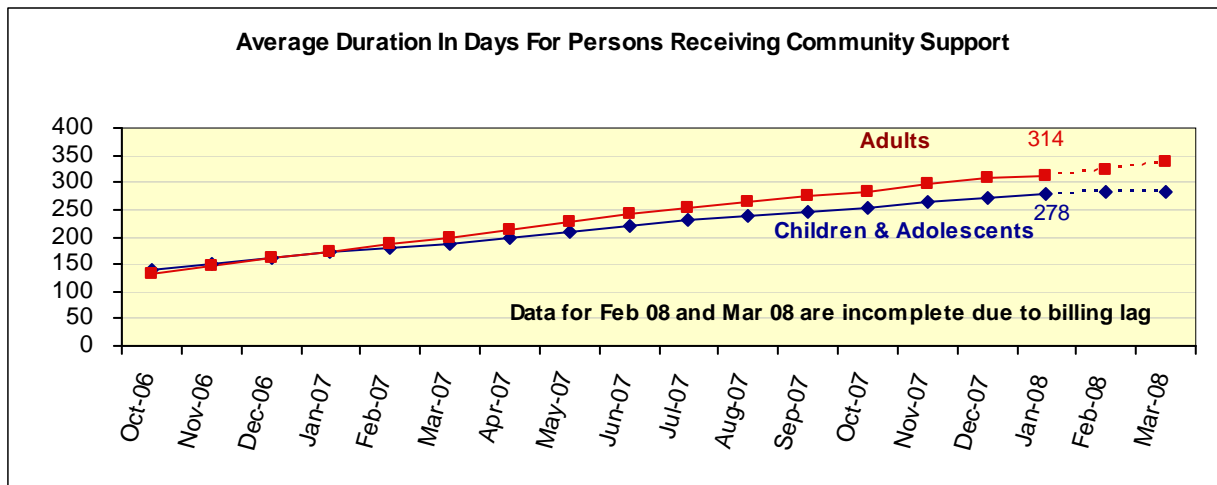


⁵ Data includes the estimated cost of services provided in LMEs that receive Single Stream funding (See footnote #4 for more details). In January 2008 the amount of community support services billed reflects an adjustment that exceeded the amount of dollars paid; therefore, the scale shows a negative amount of Community Support services billed through IPRS.

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

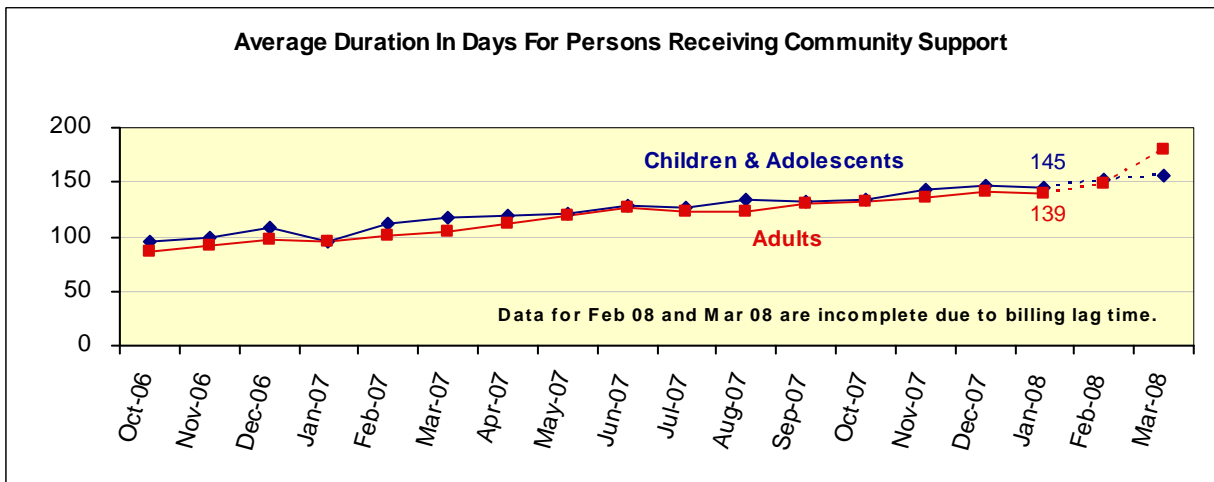
The *average length of service* or duration of services, as shown in Figure 1.11 below, shows a steady rise in the average number of days individuals remain in Community Support services. In January 2008, the average length of service was over nine months (278 days) for children and adolescents and just over ten months (314 days) for adults. Preliminary data for February 2008 and March 2008 suggests that the average length of service for adults continues to rise.

Figure 1.11
Medicaid-Funded Services



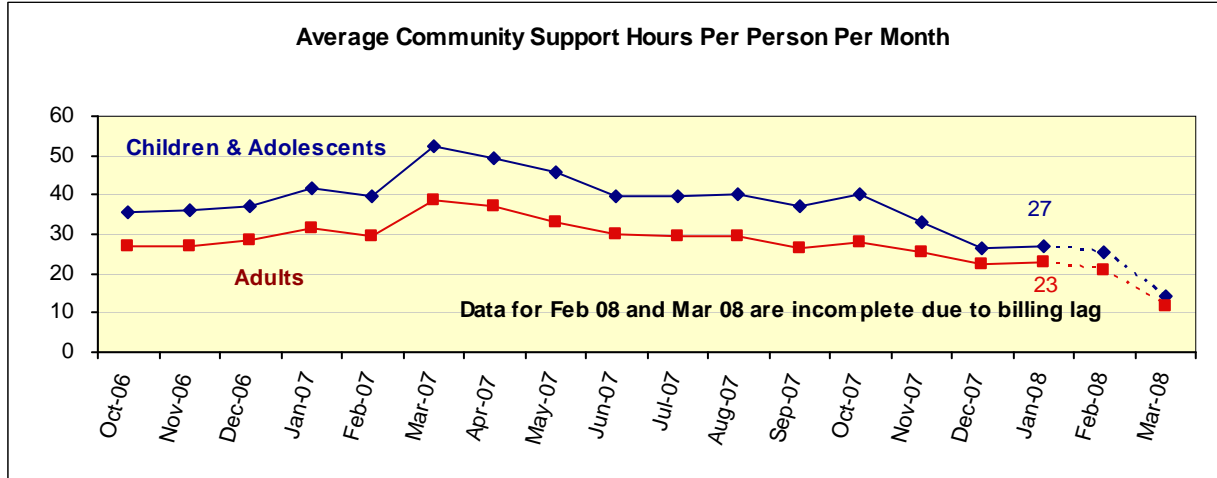
In January 2008, the *average length of service* for State-funded consumers, as shown in Figure 1.12 below, was almost five months (145 days) for children and adolescents and over four months (139 days) for adults. Preliminary data for February and March 2008 suggests that there the average length of service for adults may continue to rise.

Figure 1.12
State-Funded Services through IPRS



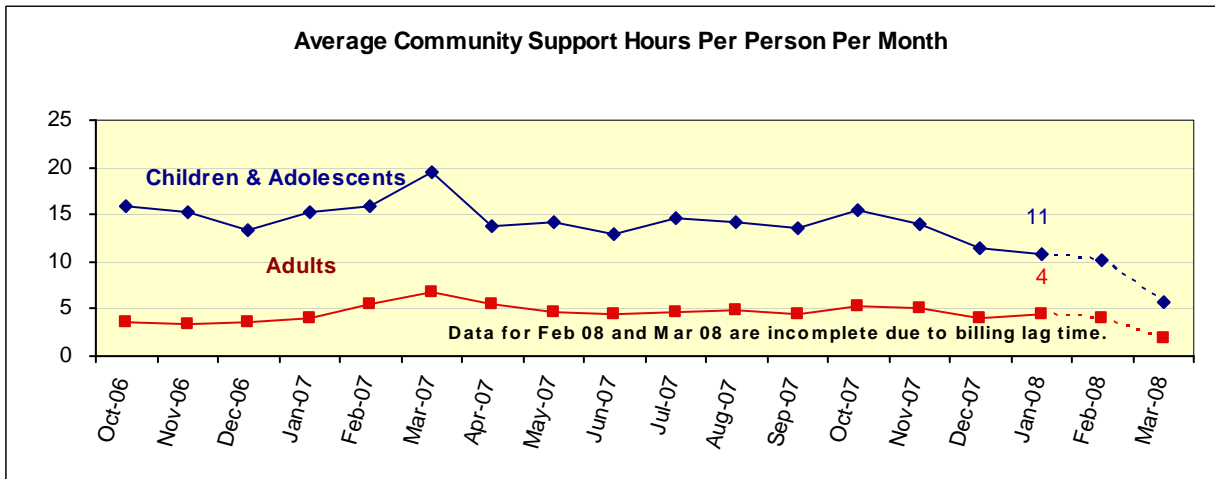
Average hours per person per month present additional information for evaluating the intensity of the services provided. As indicated in Figure 1.13, the average hours per month decreased from a high in March 2007 to a low in December 2007 and remained constant in January 2008 for both age groups.

Figure 1.13
Medicaid-Funded Services



As indicated in Figure 1.14 below, children and adolescents received an average of 11 hours per month for State-funded Community Support services and adults received an average of four hours a month in January 2008.

Figure 1.14
State-Funded Services through IPRS

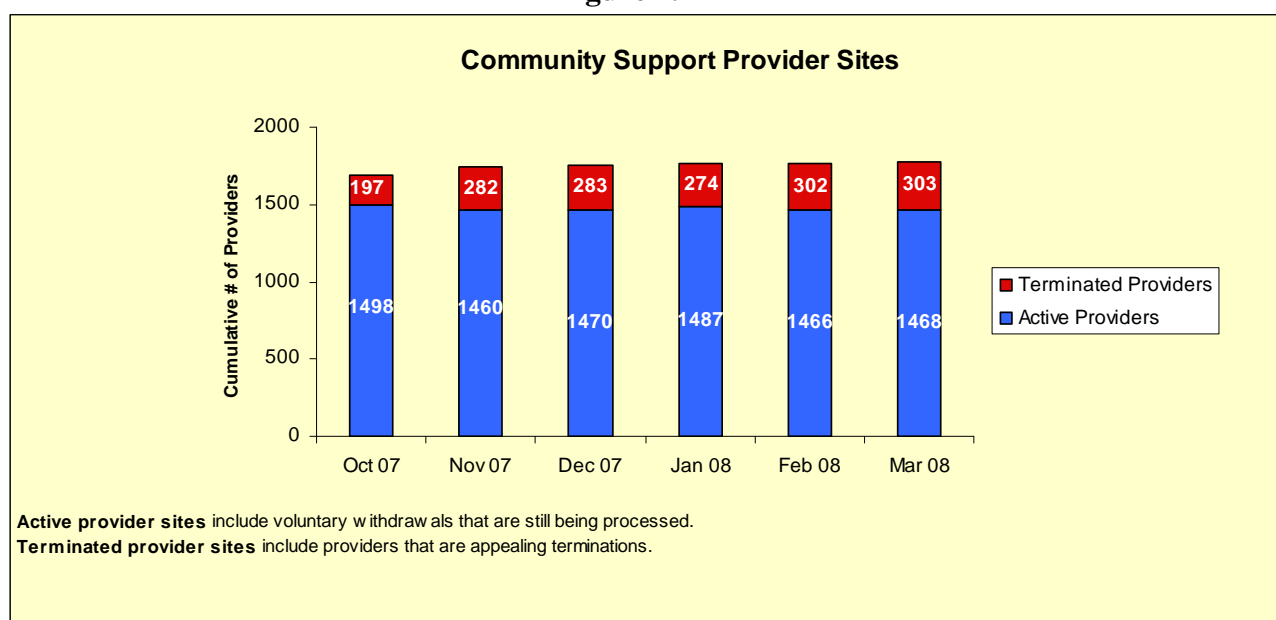


Community Support Providers

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 December 2007.⁶ Of these enrolled sites, 197 were terminated prior to January 2008. As of March 31, 2008 1,468 provider sites were actively enrolled to provide Community Support services, while enrollment for 303 provider sites was terminated. The North Carolina Department of Health and Human Services (DHHS) will include re-enrollment information once the suspension of new enrollments is lifted. The small increase in providers from January 2008 to March 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 2.1

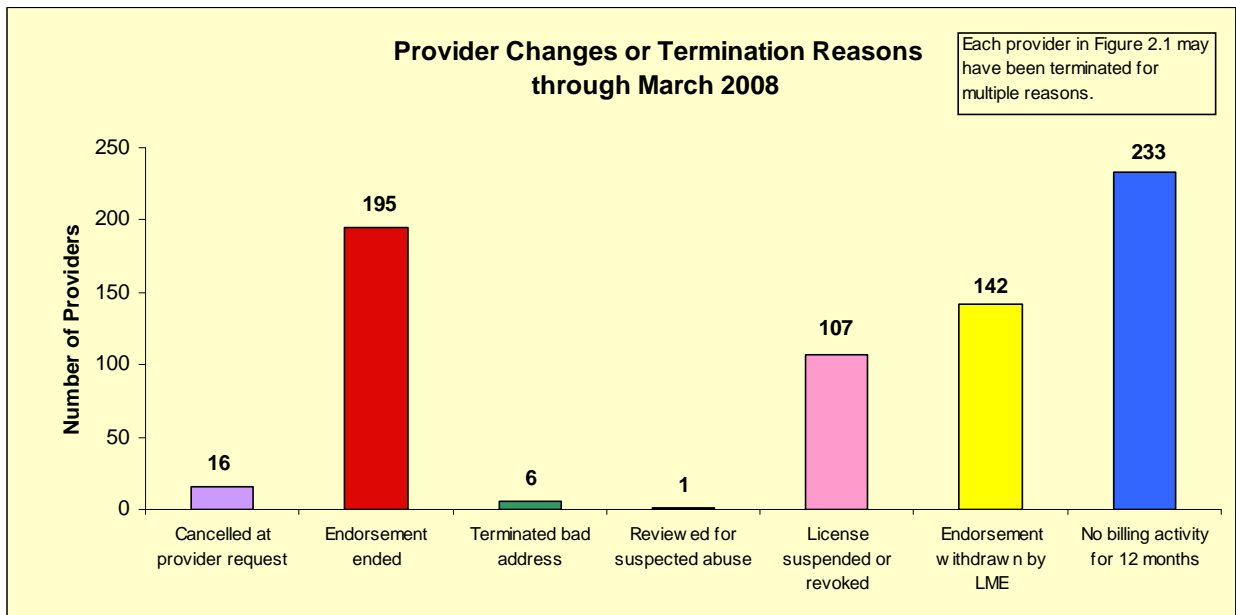


Current Provider data was created on 4/1/08

Figure 2.2 on the following page, outlines reasons for changes and terminations for the 303 providers terminated in Figure 2.1. Provider inactivity, lapsed endorsements, and suspensions or revocations by LMEs 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.

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 1,000 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 27 provider cases for referral to the Attorney General's Medicaid Investigation Unit (MIU).⁷

Figure 2.5

Community Support Providers Referred for Further Action				
As of March 29, 2008				
	Previous Totals	February Totals	March Totals	Cumulative Totals
Provider cases opened by DMA Program Integrity Section	1,051	5	7	*1,063
Providers Referred by DMA to Attorney General's Medicaid Investigation Unit	21	1	5	27

*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 4/2/08.

⁷ 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

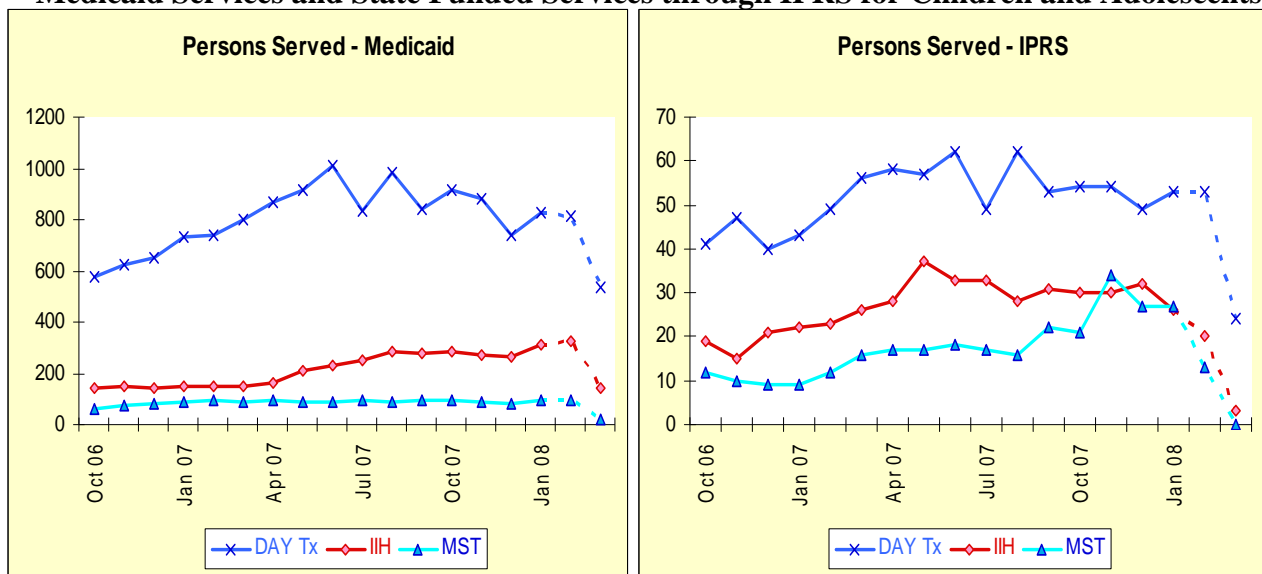
The number of individuals receiving other Medicaid-funded enhanced services in January 2008 remained much lower than the almost 39,000 individuals who received Community Support during the same month (refer to Figure 1.1 and Figure 1.2 on page 5). In order to provide a more representative comparison within categories of services, this section of the report has changed. 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 will include three figures that show the number of persons served, the amount of dollars spent, and the average amount of service 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

The number of children and adolescents receiving Child and Adolescent Day Treatment (Day Tx), Intensive In-Home (IIH) Services, and Multisystemic Therapy (MST) totaled 1,336 individuals in January 2008, with 1,230 served through Medicaid funds and 106 served through state IPRS funds. As shown in Figure 3.1 below, more persons receive Child and Adolescent Day Treatment than Intensive In-Home and Multisystemic Therapy for both Medicaid and State-funded services. Since December 2007 the number of persons receiving Medicaid and State-funded Day Treatment services has increased, while the number of persons receiving Medicaid and State funded MST has remained level. The number of children receiving Medicaid-funded IIH services has gradually risen in the past eight months, while State-funded IIH services have decreased since reaching a high in May 2007. The number of children receiving State-funded MST has grown fairly steady in recent months; however, Medicaid-funded MST services have remained level.

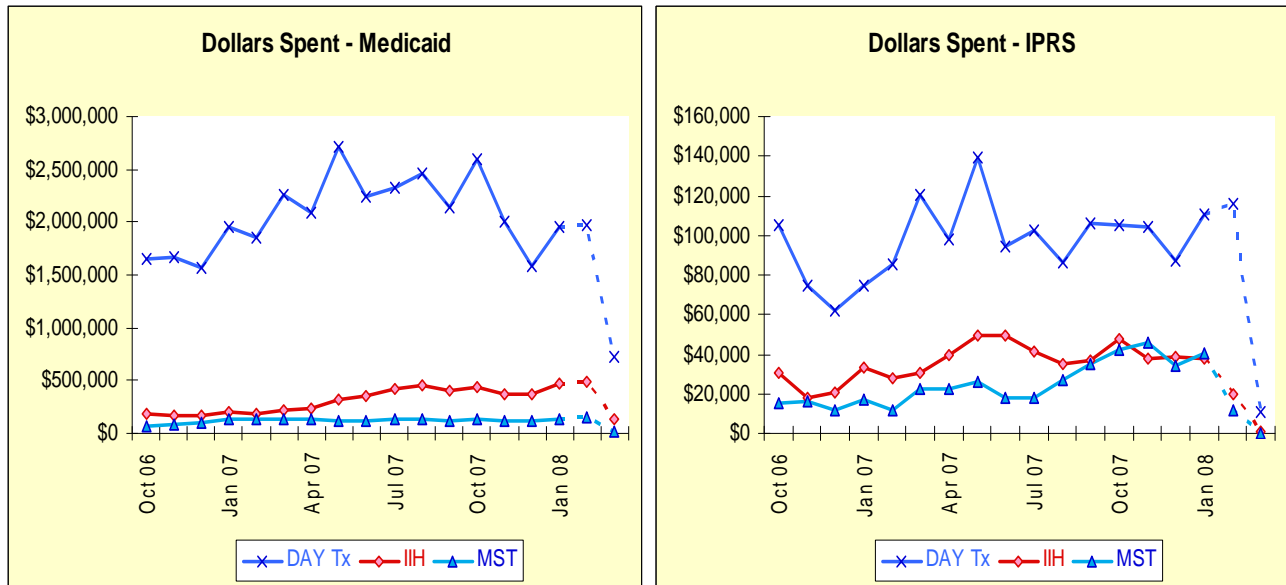
Figure 3.1

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



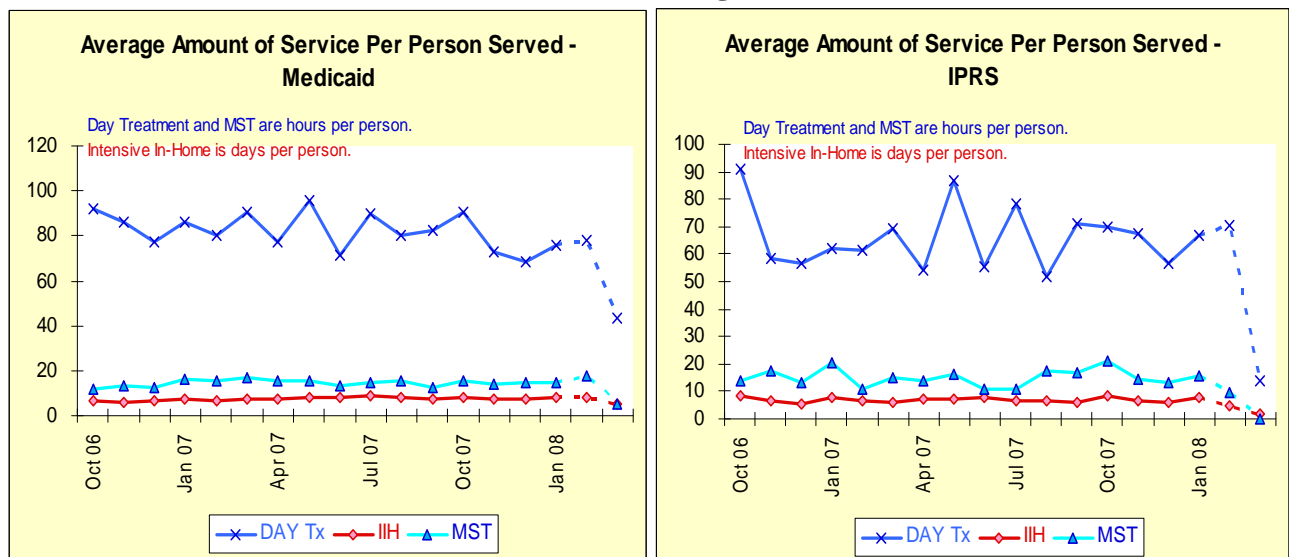
The pattern for costs, shown in Figure 3.2 reflects similar patterns for persons served.

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



In Figure 3.3 the average amount of service per person has decreased slightly in the past 18 months for Day Tx, while both IIH and MST showed little change during the same period.

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 5,053 individuals in January 2008, with 4,421 served through Medicaid funds and 632 served through state IPRS funds. As shown in Figure 3.4, the number of adults receiving both Medicaid-funded and Community Support Team (CST) and ACTT has risen over the past 18 months. However, the delivery of State-funded ACTT services has declined in recent 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

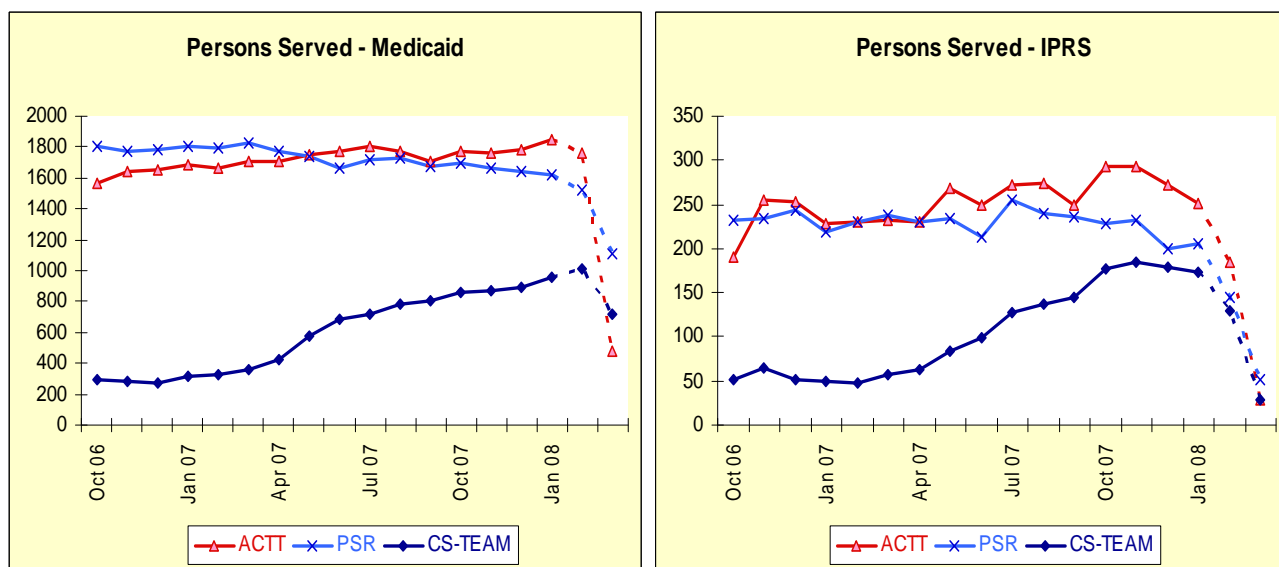
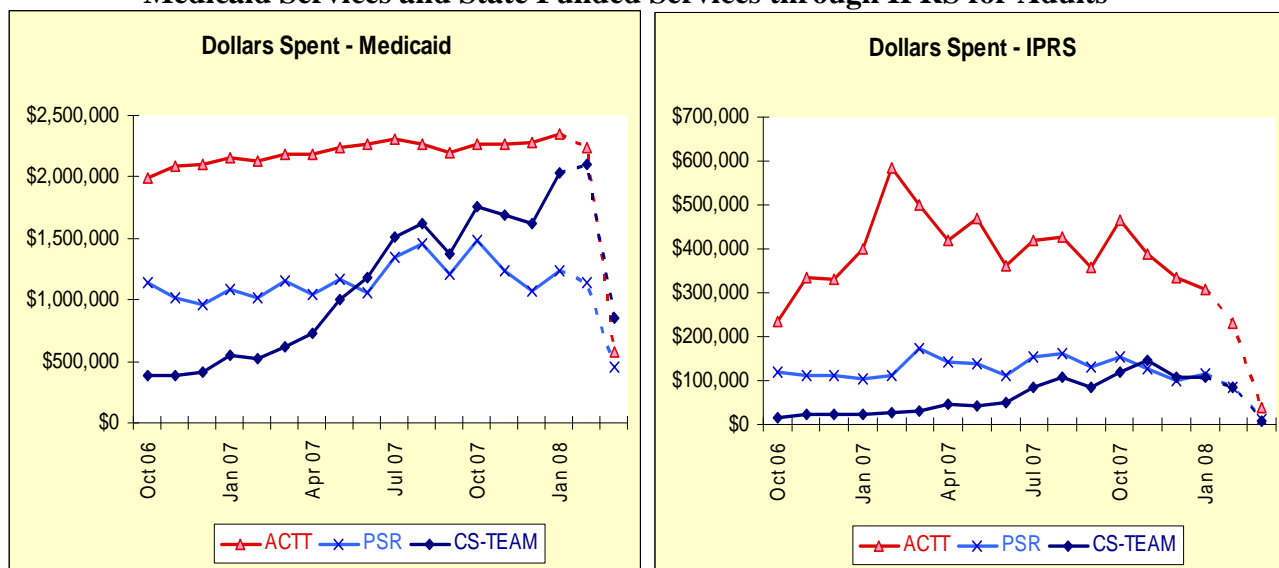


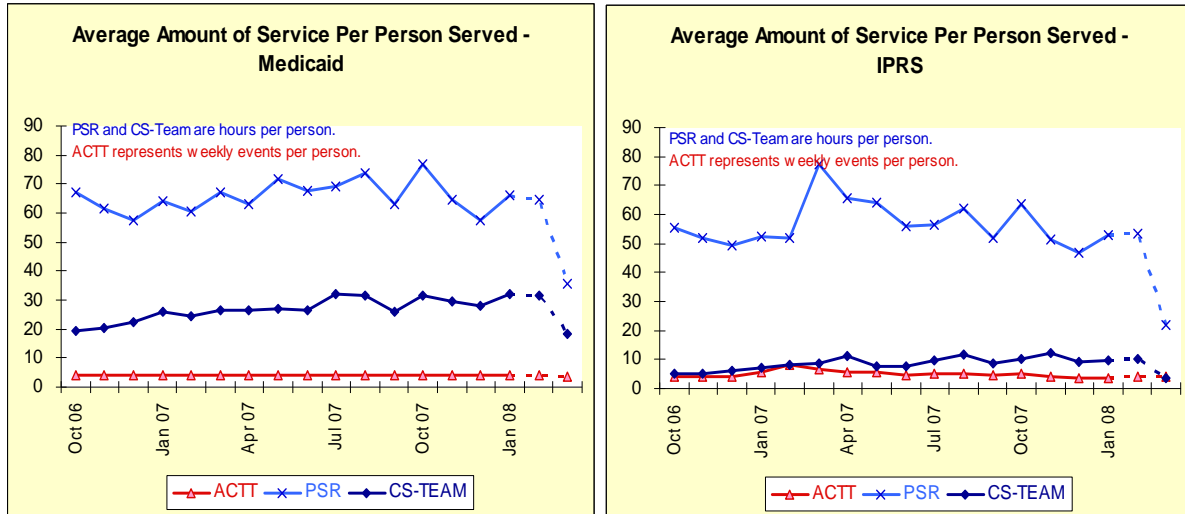
Figure 3.5 below shows similar trends over the past 18 months with increases in the Medicaid dollars spent on CST, and PSR, with a small increase in ACTT services. IPRS dollars spent on ACTT continued to decline while PSR and CS-TEAM increased slightly.

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



In Figure 3.6 the average amount of service per person has increased since December 2007 for both Medicaid-funded and State-funded PSR while it remained fairly level for ACTT and CS-TEAM.

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

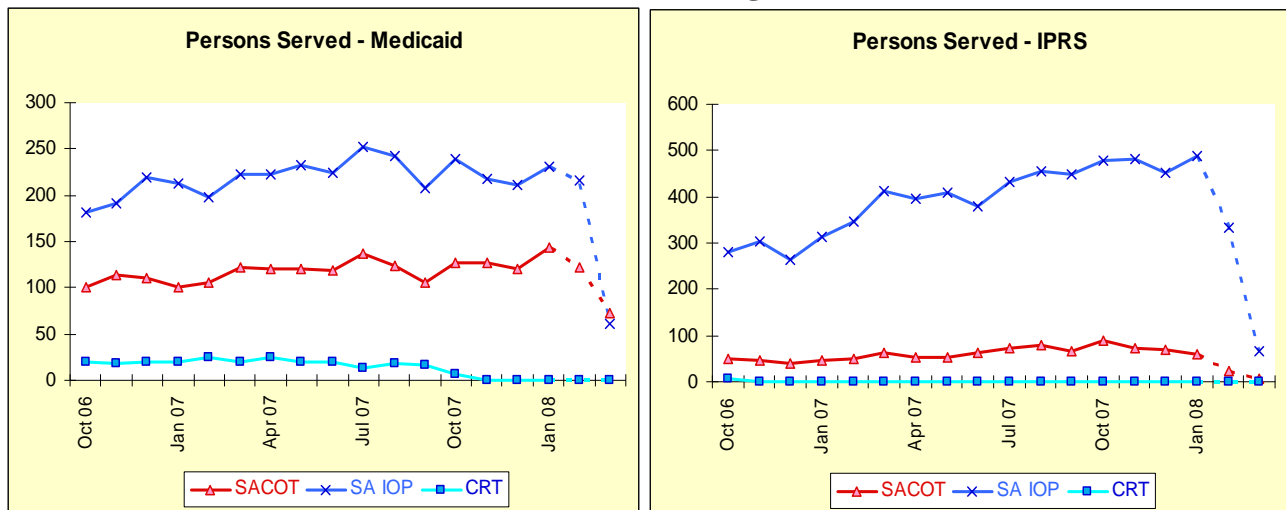


Substance Abuse Services

The number of individuals receiving Substance Abuse Intensive Outpatient Program (SAIOP) services, Substance Abuse Comprehensive Outpatient Treatment (SACOT) services, and Substance Abuse Medically Monitored Community Residential Treatment (CRT) totaled 921 individuals in January 2008, with 374 served through Medicaid funds and 547 served through State IPRS funds. During the past month Medicaid-funded SAIOP and SACOT increased sharply, as well as State-funded SAIOP. The number of persons receiving State-funded SACOT has leveled off over the past 18 months, while the provision of CRT has stopped completely.

Figure 3.7

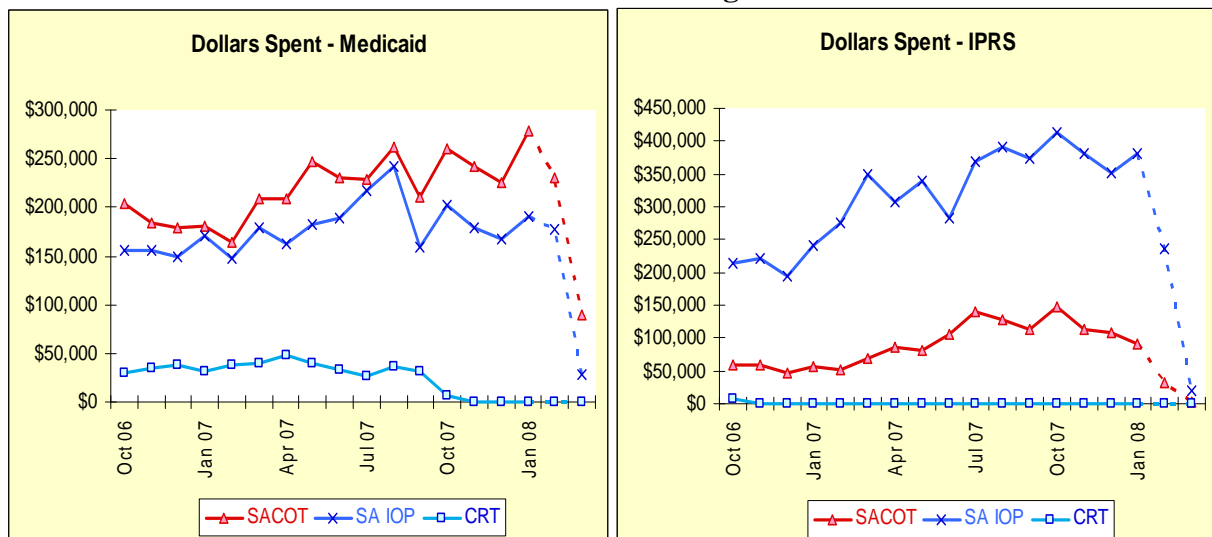
Medicaid Services and State Funded Services through IPRS for Substance Abuse Clients



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, SAIOP and Medicaid-funded SACOT spending has gradually increased during that time.

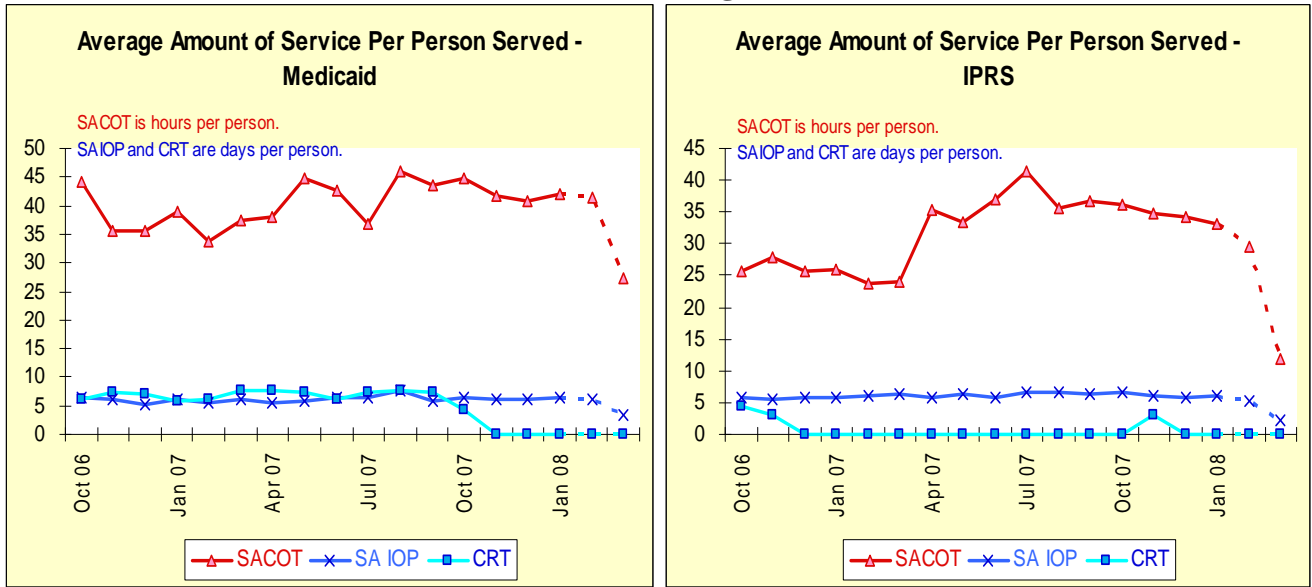
Figure 3.8

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



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

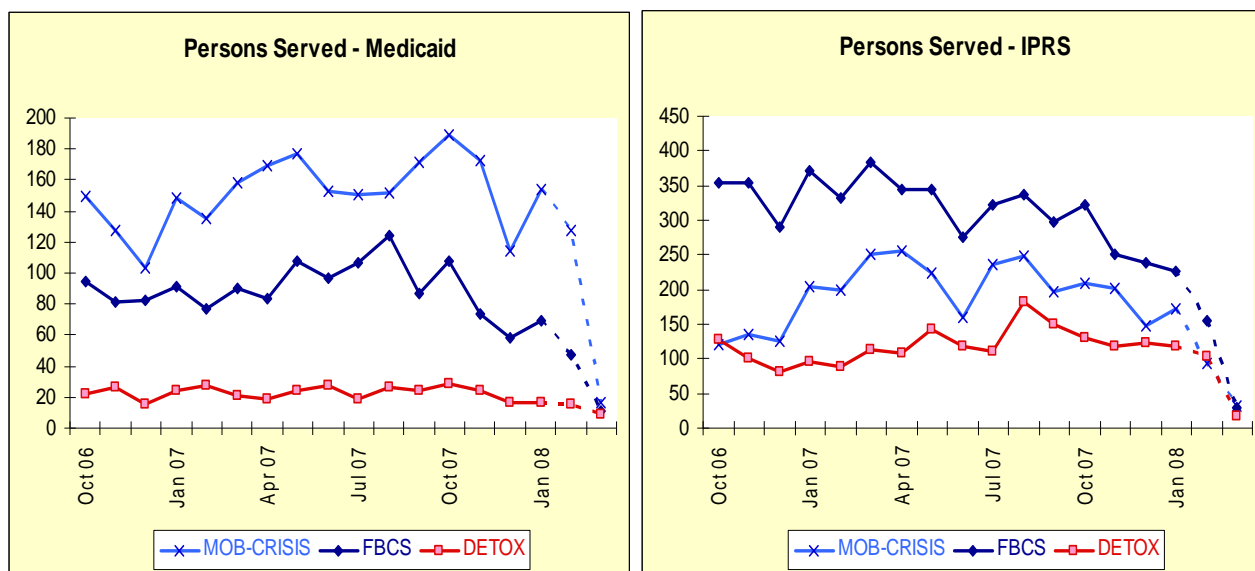
Figure 3.9
Medicaid Services and State Funded Services through IPRS for Substance Abuse Clients



Crisis Services for All Age/Disability Populations

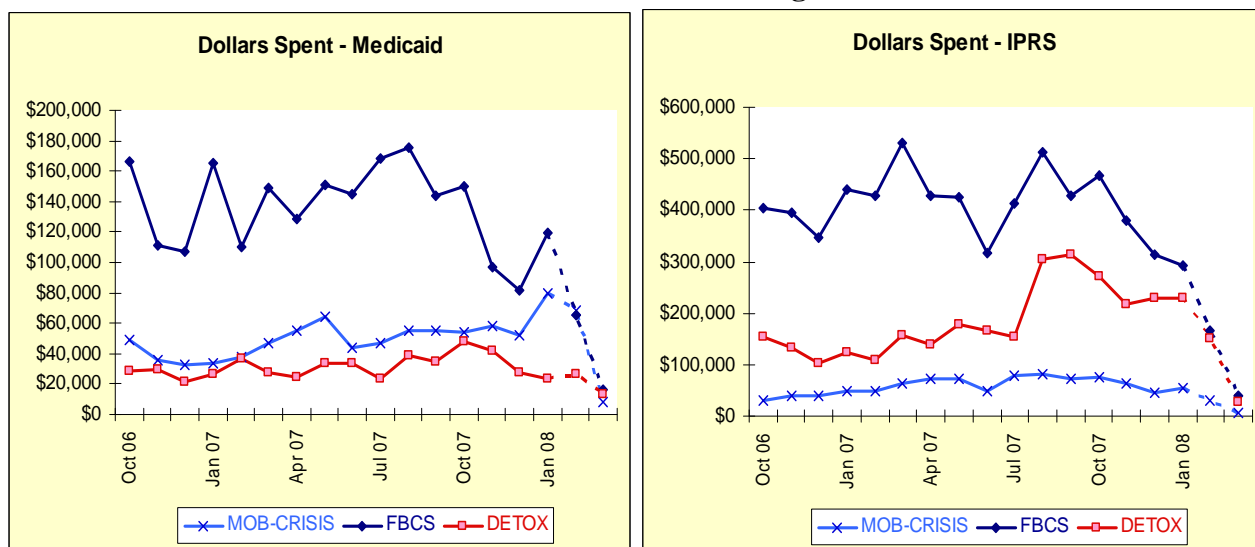
The number of individuals receiving Mobile Crisis Management (MOB-CRISIS) services, Professional Treatment Services in Facility Based Crisis Program Services (FBCS), and Non-Hospital Medical Detoxification (DETOX) totaled 757 individuals in January 2008, with 239 served through Medicaid funds and 518 served through state IPRS funds. Among Medicaid-funded services, shown in Figure 3.10 more received MOB-CRISIS than FBCS or DETOX. However, among State-funded services, FBCS is serving more consumers than MOB-CRISIS. All State-funded crisis services have declined in recent months.

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



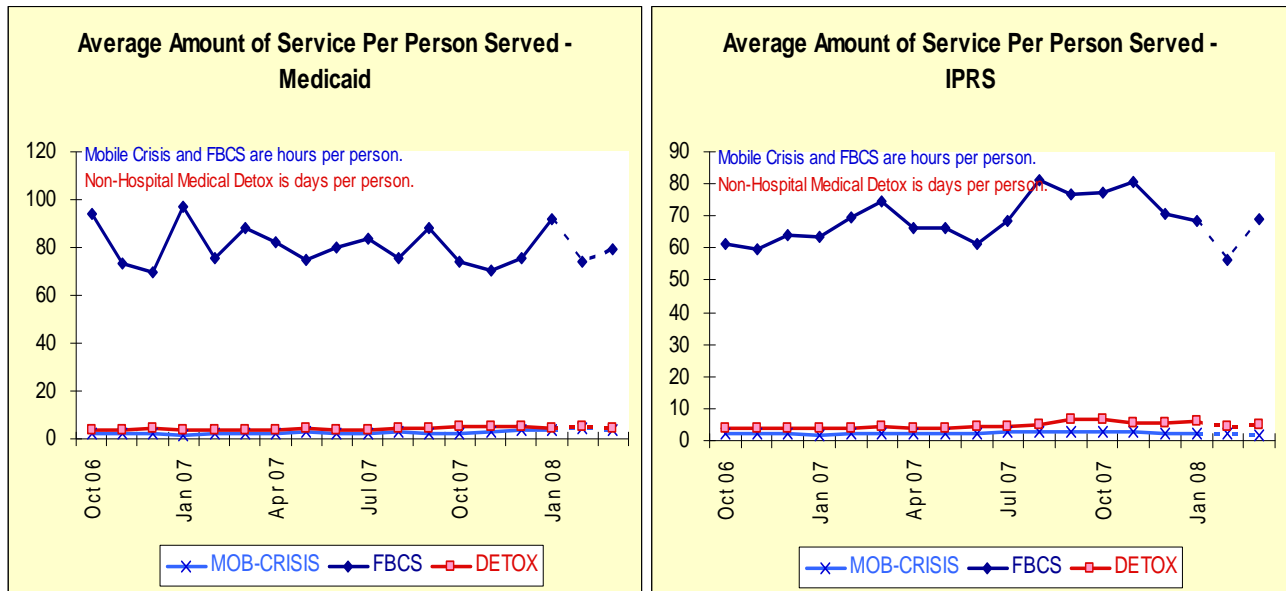
In Figure 3.11 below State Funds spent on DETOX and MOB-CRISIS remained stable, while FBCS decreased slightly. Medicaid funding spent on FBCS and MOB-CRISIS has increased, while DETOX has decreased slightly.

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



In Figure 3.12 below, fluctuations in Medicaid-funded FBCS services yield no consistent pattern of hours used per person over the past 18 months, but in January 2008 there was an increase in the number of hours per person. State-funded FBCS has decreased over the past month, while Medicaid-funded FBCS hours per person has increased.

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



Conclusion

Overall, the use of Community Support services has decreased since October 2007. During 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 has increased for adults. In contrast, over the past three months the use of Medically Monitored Community Residential Treatment has stopped. The release of revised Enhanced Service definitions as of March 1, 2008 will help to strengthen the Department's efforts to monitor the use of services through the Medicaid Management Information System, Integrated Payment Reporting System, and several required state review processes.