Pat McCrory
Governor

Aldona Z. Wos, M.D.
Ambassador (Ret.)
Secretary DHHS

Adam Sholar
Legislative Counsel
Director of Government Affairs

December 23, 2013

SENT VIA ELECTRONIC MAIL

The Honorable Ralph Hise
Joint Legislative Oversight Committee on
Health and Human Services
Legislative Building, Room 1028
Raleigh, NC 27601-2808

The Honorable Mark Hollo
Joint Legislative Oversight Committee on
Health and Human Services
Legislative Office Building, Room 639
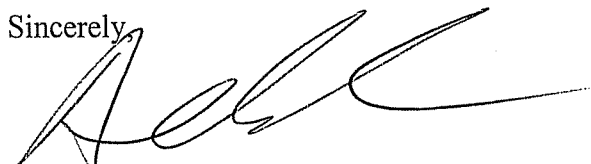Raleigh, NC 27603-5925

The Honorable Justin Burr
Joint Legislative Oversight Committee on
Health and Human Services
Legislative Office Building, Room 307A
Raleigh, NC 27603-5925

Dear Senator Hise and Representatives Hollo and Burr:

Session Law 2010-0031, Section 10.35(7)(e) requires the Department of Health and Human Services to report on the number of children staying in Level II, III, and IV residential treatment settings, every six months, through January 1, 2014. Residential treatment provides a structured, therapeutic and supervised environment to improve the level of functioning for beneficiaries. The Department is pleased to submit the attached report.

Please direct all questions concerning this report to Sandy Terrell at 919-855-4100 or by email at Sandra.Terrell@dhhs.nc.gov.

Sincerely,

Adam Sholar

cc: Sandra Terrell   Susan Jacobs
    Steve Owen   Denise Thomas
    Jim Slate   Patricia Porter
    Pam Kilpatrick   reports@ncleg.net
    Rick Brennan   Sarah Riser
    Brandon Greife   Kristi Huff

NUMBER OF CHILDREN AND YOUTH SERVED IN MEDICAID FUNDED RESIDENTIAL TREATMENT SERVICES LEVELS II, III AND IV

Report Required by Session Law 2010-31, Section 10.35.(7)(e)
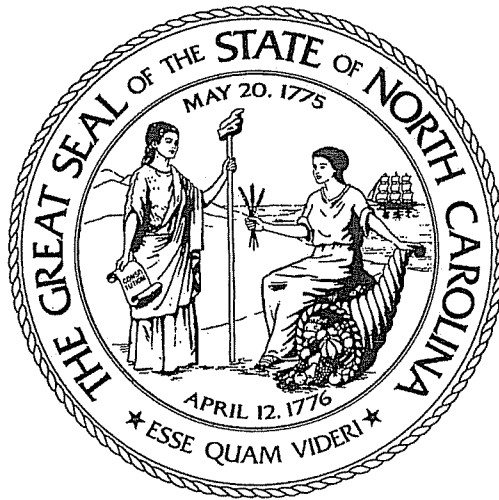
December 2013

NUMBER OF CHILDREN AND YOUTH SERVED IN MEDICAID FUNDED RESIDENTIAL TREATMENT SERVICES LEVELS II, III AND IV

S.L. 2010-31, s. 10.35.(7)(e) requires the Department of Health and Human Services (DHHS) to provide semi-annual reports on the number of Medicaid beneficiaries residing in Level II, III, and IV residential treatment facilities through January 1, 2014. This will therefore be the final report submitted by the Division of Medical Assistance, DHHS.

Residential treatment provides a structured, therapeutic and supervised environment to improve the level of functioning for Medicaid beneficiaries up to 21 years of age who are experiencing a mental health and/or substance abuse disorder, and who cannot be safely treated in their own home. The Local Management Entity (LME)/Managed Care Organization (MCO) or the state-wide utilization review vendor (prior to the implementation of managed behavioral health care in each area) authorizes all admissions following referral by community based Child and Family Teams or community based service providers. Clinical assessments are required to determine the appropriate level of care, based on medical necessity criteria for each level. Medicaid reimburses providers for the treatment components of each service, but does not cover room and board expenses. Levels II – IV of residential treatment include the following services:

- Residential Treatment Level II Service provides a moderate to highly structured and supervised environment in a family setting, referred to as Therapeutic Foster Care, or in a group setting, referred to as Level II, Group.
- Residential Treatment Level III Service (Residential Treatment High) has a highly structured environment, with 24 hour awake supervision, in a group setting only.
- Treatment Level IV Service (Residential Treatment Secure) has a physically secure, locked, therapeutic environment in a group setting only, excluding room and board.

This report includes statewide data on the number of Medicaid beneficiaries who received residential treatment services during SFY 2013 and SFY 2014, year-to-date, based on date of payment. Data are based on all beneficiaries funded by Medicaid, including those funded on a fee for service basis prior to implementation of managed care and numbers reported by each LME/MCO.

For SFY 2013, the number of beneficiaries is a total of the number reported by the Medicaid Budget Office and by the eleven LME/MCOs for the months of 7/1/2012 to 6/30/2013. As of March 2013, all LME/MCOs were operational. Since the data are based on date of payment, there may be some duplication in the monthly numbers if a provider submitted a claim to Medicaid for a previous date of service during the same month an MCO funded the beneficiary under its managed care plan.

SFY 2014 YTD data are based solely on data reported by the LME/MCOs. The data for both SFY 2013 and SFY 2014 YTD are displayed in the tables on Page 2 of this report.

Monthly Utilization of Levels II – IV, based on Date of Payment, in State Fiscal Year 2013 and 2014 YTD

RECIPIENTS - SFY 2013													
PROCEDURE REVENUE CODE PAID	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	SFY 2013 AVG MONTHLY
HRI LEVEL III RESIDENTIAL 4 BEDS OR LESS	675	638	675	702	640	649	644	483	457	431	444	437	573
HRI LEVEL III RESIDENTIAL 5 BEDS OR MORE	83	96	95	101	98	103	117	79	94	99	102	102	97
Subtotal Level III	758	777	770	803	738	752	761	562	551	530	546	539	674
HRI LEVEL IV RESIDENTIAL 4 BEDS OR LESS	0	0	0	0	0	0	0	1	1	1	3	2	1
HRI LEVEL IV RESIDENTIAL 5 BEDS OR MORE	30	32	30	26	25	25	20	19	9	4	3	4	19
Subtotal Level IV	30	32	30	26	25	25	20	20	10	5	6	6	20
HRI LEVEL II THERAPEUTIC FOSTER CARE	3,029	2,744	2,736	2,666	2,557	2,434	2,495	1,747	1,832	1,744	2,086	1,985	2,338
HRI LEVEL II GROUP HOMES	220	203	191	183	188	189	211	158	128	128	123	116	170

RECIPIENTS - SFY 2014 YTD					
PROCEDURE REVENUE CODE PAID	Jul-13	Aug-13	Sep-13	Oct-13	SFY 2014 AVG MONTHLY
HRI LEVEL III RESIDENTIAL 4 BEDS OR LESS	439	428	401	429	424
HRI LEVEL III RESIDENTIAL 5 BEDS OR MORE	89	91	89	109	95
Subtotal Level III	528	519	490	538	519
HRI LEVEL IV RESIDENTIAL 4 BEDS OR LESS	3	1	3	2	2
HRI LEVEL IV RESIDENTIAL 5 BEDS OR MORE	5	2	4	1	3
Subtotal Level IV	8	3	7	3	5
HRI LEVEL II THERAPEUTIC FOSTER CARE	1,791	1,833	1,844	1,730	1,800
HRI LEVEL II GROUP HOMES	127	126	114	103	118