



## North Carolina Department of Health and Human Services

Pat McCrory  
Governor

Richard O. Brajer  
Secretary

Division of Mental Health,  
Developmental Disabilities and  
Substance Abuse Services  
3001 Mail Services Center  
Raleigh, North Carolina 27699-  
3001  
Tel 919-733-7011 Fax 919-508-  
0951  
Courtney M. Cantrell, Ph.D.  
Director

Division of Vocational Rehabilitation  
Services  
2801 Mail Service Center  
Raleigh, North Carolina 27699-2801  
Tel 919-855-3500 Fax 919-733-7968  
Claudia Horne, MS  
Senior Director

Division of Medical Assistance  
2501 Mail Services Center  
Raleigh, North Carolina 27699-2501  
Tel 919-855-4100 Fax 919-733-6608  
Dave Richard  
Deputy Secretary for Medical  
Assistance

### LME-MCO Communication Bulletin #J168

Date: October 30, 2015

To: LME-MCOs

From: Kathy Nichols, Behavioral Health Program Manager, Behavioral Health Section, DMA, Mabel McGlothlen, I/DD, TBI, and System Performance Section Chief, DMH/DD/SAS, and Claudia Horne, Senior Director, DVRS

Subject: Individual Placement and Support-Supported Employment (IPS-SE) Funding Streams and Targeted Populations

This bulletin is to clarify issues related to the delivery of Individual Placement and Support-Supported Employment (IPS-SE) services, and the funding streams and populations targeted by each. The entrance criteria in the service definition should be used to identify who does and does not qualify for this service.

The four sources of funding used to cover the cost of delivering IPS-SE services include Medicaid, state funds, Transition to Community Living Initiative (TCLI) funds, and Vocational Rehabilitation (VR) funds. These funding streams have differing criteria which must be met before an individual representative of a particular target population (Mental Health and Substance Use) may be determined eligible to receive services. Providers should not be limited to accessing one funding stream in order to ensure program sustainability. They should have access to all available funding streams.

#### State funds:

- IPS-SE, an evidence based practice (EBP) model with Fidelity Scale developed by the Dartmouth Psychiatric Research Center and promoted by the Substance Abuse and Mental Health Services Administration (SAMHSA).

- Eligible: Persons with serious mental illness (SMI) including severe and persistent mental illness (SPMI), and co-occurring disorders; substance use disorder (SUD)-only diagnoses are eligible through state funded services only.

**Medicaid funds:**

- 1915(b)(3) Supported Employment (Mental Health)  
Eligible: Persons age 16+ years with SMI and who are clinically appropriate for IPS-SE. Providers working with persons with SMI must meet all fidelity provider requirements as outlined by the State for EBPs in a manner that complies with the TCLI.

**Vocational Rehabilitation (VR):**

- VR IPS-SE is a blended funding model between VR and the LME-MCO's utilizing VR contracts with approved Community Rehabilitation Programs (CRPs) throughout the state. This service is for eligible VR consumers requiring IPS-SE services.
- Any CRP that has a traditional VR SE contract and an IPS-SE contract with their LME-MCO can utilize their traditional VR SE contract to pay for VR blended funding pre-defined employment services for eligible VR consumers.
- Any CRP with a VR IPS-SE contract as well as an IPS-SE contract with their LME-MCO must utilize their VR IPS-SE contract to pay for VR blended funding pre-defined employment services for eligible VR consumers.

**Transitions to Community Living (TCLI) IPS-SE Allocation Funds:**

- TCLI-SE allocation funds are to be used to support persons with SMI or SPMI, with a priority for persons with SMI or SPMI who are identified as in/at risk in receiving IPS-SE services.
- These funds shall support persons in services and should not be set aside for one sole provider to support IPS-SE services.
- There should not be designations of TCLI IPS-SE Providers. There are IPS-SE Providers who deliver services to persons identified under the TCLI, as well as serving other eligible persons outside of the settlement.
- All LME-MCOs received a TCLI IPS-SE Allocation letter effective 8/1/15; this allocation letter will be updated to reflect the use of those funds.

If you have questions regarding Medicaid funded IPS-SE services, please contact Lisa Jackson at 919-855-4383 or [lisa.jackson@dhhs.nc.gov](mailto:lisa.jackson@dhhs.nc.gov); if you have questions regarding state funded IPS-SE services or TCLI IPS-SE funded services, please contact Stacy Smith at 919-715-2368 or [stacy.smith@dhhs.nc.gov](mailto:stacy.smith@dhhs.nc.gov); if you have questions regarding VR funded IPS-SE services, please contact Gina Price at 919-855-3559 or [gina.price@dhhs.nc.gov](mailto:gina.price@dhhs.nc.gov).

*Previous bulletins can be accessed at: <http://jtcommunicationbulletins.ncdhhs.gov/>*

Cc: Dave Richard, DMA  
Dale Armstrong, DHHS  
DMA Leadership Team  
DMH/DD/SAS Leadership Team  
Mary Hooper, NCCCP  
Claudia Horne, DVRS