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LME-MCO Communication Bulletin #J192

Date: April 7, 2016
To: LME-MCOs
From: Mabel McGlothlen, LME-MCO System Management Section Chief, DMH/DD/SAS and
Kathy Nichols, Behavioral Health Manager, Community Based Services Section, DMA
Subject: SFY 15-16 SAPTBG State Funding Maintenance of Effort (MOE) Reporting Requirements

This Communication Bulletin clarifies the SFY 15-16 Substance Abuse Prevention and Treatment Block Grant (SAPTBG) State Funding Maintenance of Effort (MOE) reporting requirements for LME-MCOs, including the certification and reporting of expenditures for substance abuse services through qualifying single stream and special categorical funding.

This Communication Bulletin and accompanying policy is not new to DMHDDSAS or to LME-MCOs. It documents the current process to ensure that it is appropriately followed, and clarifying what can and cannot count as MOE in this reporting.

MOE reporting requirements for the SAPTBG for LME-MCOs and providers/contractors are provided here in follow-up to the DMHDDSAS memorandum of October 22, 2015 to each LME-MCO Director and Finance Officer from Courtney Cantrell, Division Director, regarding the "SFY 16 Continuation Funding for MH/DD/SAS Services." The MOE expenditure reporting referenced in this memorandum is required to be submitted to DMHDDSAS for required substance abuse services expenditures. This information is monitored throughout the fiscal year by DMHDDSAS, compiled annually and reported to the Center for Substance Abuse Treatment (CSAT) for the SAPTBG.

In Attachment VI of the October 22, 2015 memorandum, Dr. Cantrell addressed an action required by recent legislation from the NC General Assembly for assignment of required MOE expenditure amounts of single stream funds by each LME-MCO for the Mental Health and Substance Abuse Block Grants. Each LME-MCO

was provided a new MOE expenditure amount by DMHDDSAS for substance abuse services that was required for a locally assigned portion of the Substance Abuse Block Grant MOE statewide requirement.

In addition to the October 22, 2015 memorandum, each LME-MCO Director received an allocation memorandum dated October 6, 2015 regarding “Inpatient Alcohol and Substance Abuse Treatment Services - SFY 16” from the Division Director of Financial Operations.

- In this memorandum, each LME-MCO was assigned a separate recurring amount of state special categorical MOE funds for the purpose of purchasing inpatient alcohol and substance abuse treatment services from the State-operated Alcohol and Drug Abuse Treatment Centers (ADATCs).
- These funds were allocated outside of UCR (Unit Cost Reimbursement), and LME-MCOs were instructed that these funds were not to be requested by the LME-MCO on a Financial Status Report.
- Special instructions were provided in this memorandum for the “Disbursement of Funding Guidelines” for these funds.
- LME-MCOs were advised that these ADATC expenditures were required to be reported on the DMHDDSAS *LME-MCO Financial Reporting Tool, Non-UCR Monthly Expenditure Detail Report*.
- **On the LME-MCO Financial Reporting Tool, Non-UCR Monthly Expenditure Detail Report, LME-MCOs are requested to list these ADATC expenditures on a separate Expenditure Category line titled “SA State Funds – Non-UCR Special Categorical Inpatient Alcohol and Substance Abuse Treatment Services” for monthly reporting on this tool.**

MOE requirements must be met using only state appropriations in order to ensure that federal block grant funding remains a valuable resource for North Carolina. Session Law 2015-241, Section 12F.2.(e) also requires that DHHS “...shall develop a maintenance of effort (MOE) spending requirement for all mental health and substance abuse services which must be maintained using non-federal, State appropriations on an annual basis in order to meet MOE requirements...LME-MCOs shall ensure the MOE spending requirement is met using State appropriations.”

The attached policy outlines the requirements for LME-MCOs in the identification, approval, assignment, monitoring, verification, and timely certification and reporting of qualifying state single stream and special categorical funding that is submitted monthly to DMHDDSAS by LME-MCOs for required substance abuse services for SAPTBG MOE reporting. These substance abuse services MOE expenditures of state funds are required to be based on the actual costs incurred by LME-MCOs and their providers/contractors in the delivery of DMHDDSAS substance abuse services. These services are required to have been provided to individuals in substance abuse treatment with a principal or primary substance-related disorder, or for other DMHDDSAS substance-related non-treatment services that have been delivered by appropriately trained substance abuse professionals to individuals, groups, and communities that are at a demonstrated risk for a substance use disorder.

This required LME-MCO and provider/contractor reporting of MOE substance use services expenditures includes:

1. Reporting of NCTracks shadow claims submitted as UCR units of actual state single stream funded services that have been provided to individuals with a principal or primary substance use disorder diagnosis, and who are enrolled in a standard DMHDDSAS approved NCTracks Substance Use Disorder Benefit Plan, for the receipt of approved substance use disorder intervention, treatment, and recovery services; and
2. Reporting on the DMHDDSAS *LME-MCO Financial Reporting Tool, Non-UCR Monthly Expenditure Detail Report* and *Provider Outlay Report* for substance abuse services expenditure amounts, by type, of actual state single stream and special categorical funded services that have been provided to individuals with

a principal or primary substance use disorder, and who qualify for enrollment in a standard DMHDDSAS approved Substance Use Disorder Benefit Plan.

Instructions for completion of the *LME-MCO Financial Reporting Tool, Non-UCR Monthly Expenditure Detail Report* and *Provider Outlay Report* for substance abuse services are included on the tool and in the attached guidance.

This communication bulletin and the attached policy document shall be subject to future revisions as are necessary, and shall be coordinated by the Addictions and Management Operations Section, in consultation with other DMHDDSAS sections, and the State Services Committee, as appropriate.

For further clarification or guidance please contact Celia Cox, Assistant Director, Budget and Finance Section, at Celia.Cox@dhhs.nc.gov or 919-733-7013, or Spencer Clark, Chief of Addictions and Management Operations, at Spencer.Clark@dhhs.nc.gov or 919-733-4670.

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

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