

**SAPTBG State Funding Maintenance of Effort (MOE)
Reporting Requirements Policy**

Date Approved: March 29, 2016

Date Revised: Not Applicable

Provided below are the MOE requirements for LME-MCOs and providers/contractors in the appropriate identification, assignment, monitoring, verification, certification, and reporting of LME-MCO and provider/contractor expenditures for state funded substance abuse services that are eligible for monthly reporting as a part of the LME-MCO's assigned MOE expenditure amount.

In order to achieve and maintain the accuracy, completeness, and non-duplication of reporting in addressing these MOE requirements, LME-MCOs and providers/contractors will direct appropriate fiscal, program, and quality management staff resources to these efforts. These staff will ensure that state substance abuse services expenditures are appropriately reported via NCTracks, or on the *LME-MCO Financial Reporting Tool*, and adhere to the following requirements.

1. Expenditures reported for substance abuse services by LME-MCOs and contractors will be limited to:
 - a. State funded UCR substance use disorder services expenditures that have been reported in NCTracks as claims or shadow claims, have been provided to individuals who are enrolled in a substance abuse benefit plan, who have a principal or primary substance-related disorder, and for whom substance use is the current main focus of treatment.
 - b. State funded Non-UCR substance use disorder treatment services expenditures that have been reported on the *LME-MCO Financial Reporting Tool*, have been delivered by appropriately trained and credentialed substance abuse professionals, and have been provided to individuals who are enrolled in treatment with a principal or primary substance-related disorder, and for whom substance use is the current main focus of treatment.
 - c. State funded Non-UCR substance-related prevention services expenditures to individuals, groups, and communities that are demonstrated to be at risk for substance use problems that have been reported on the *LME-MCO Financial Reporting Tool*, and have been delivered by appropriately trained and credentialed substance abuse professionals.
 - d. Expenditures reported on the *DMHDDSAS Financial Reporting Tool, Provider Outlay Report* will accurately represent only certified, verifiable expenditures incurred for substance abuse services **Capital, Start-Up, Services, and Operations**, as defined on this tool.
 - e. Expenditures reported only include current fiscal year expenditures of state funds.

2. Expenditures reported for substance abuse services will not include:
 - a. Funds that have been only advanced from the LME-MCO to the provider or contractor, but for whom actual expenditures have not been verified and certified by the LME-MCO.
 - b. Funds that are generic in nature or in purpose.
 - c. Services that are supported by Medicaid, Medicare, Health Choice, TRICARE, federal Block Grant or other federal funds, county, local, or private funds, LME-MCO savings or fund balance(s), or any other sources of revenue.
3. When substance abuse expenditures are combined, blended or embedded with other expenditures for mental health, intellectual/developmental disabilities, or any other specialty services, the identification and assignment of substance abuse services expenditures reported will be supported with a cost assignment methodology that is acceptable by the Budget and Finance Section and the Addictions and Management Operations Section, in conjunction with the DMHDDSAS Policy/Audit Team. Any cost assignment methodology for the delineation of substance abuse services expenditures will:
 - a. Appropriately segregate substance abuse services costs from other reported expenditures for mental health, intellectual/developmental disabilities, TBI, and other non-substance-related specialty services, program or facility expenditures;
 - b. Utilize a fair, rational, transparent, and justifiable method, resulting in an accurate, replicable, and proportionate assignment of reported expenditures for substance related services;
 - c. Be fully documented in a written format, and available for review, monitoring, evaluation, settlement, and audit purposes; and
 - d. Meet objective standards of fiscal accounting verification as required by the Office of the State Auditor.
4. These reported expenditures will not duplicate or overlap any other related activities supported by any other source of funding that are reported in NCTracks. These reported expenditures also may not be included in the reporting of any other non-UCR activities and expenditures.
 - a. In instances where an LME-MCO reimburses a provider on a 1/12 or expenditure basis for services that meet State service definitions which are reported on a "shadow claim" basis, special care must be taken to ensure that duplicative reporting does not occur. The LME-MCO will document the methodology to ensure:
 - i. No duplication of expenditure reporting between UCR and Non-UCR;
 - ii. State funds are not subsidizing insufficient Medicaid rates for Medicaid-covered consumers;
 - iii. Provider reimbursement is not excessive for the services rendered; and
 - iv. Provider overhead costs are not excessive.

5. Reporting of expenditures for direct services to clients will be supported with appropriate Consumer Data Warehouse (CDW) Treatment Episode Data Set (TEDS) information.
6. Reporting of “Multiple” disability assignment of substance use disorder expenditures on the *Financial Reporting Tool* is not acceptable for the reporting of MOE expenditures.
7. Expenditures will be subject to monitoring, including but not limited to:
 - a. Regular provider verification reviews by the LME-MCO, for validation of appropriate assignment of substance use disorder expenditures, including routine monitoring, technical assistance visits, and other fiscal and program audits of reported expenditures. These processes will ensure the accuracy, completeness, and replicability of this reporting, and will be described in written policies and procedures.
 - b. Regular ongoing desk review and on-site examination, analysis, and evaluation by DMHDDSAS. These reviews will include compliance with this policy and with any subsequent adjustments or clarifications required to be implemented and communicated by DMHDDSAS to the LME-MCOs based on federal, state, Department, or DMHDDSAS findings, policies, and practices. This specifically includes information and guidance from SAMHSA, the Office of the State Auditor (OSA), the Department, and DMHDDSAS staff, through which additional instructions regarding these requirements may be provided in future revisions of this document.

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 below:

1. All LME-MCOs must submit detail reports on the total Non-UCR state appropriation expenditures for substance use disorder services according to the following instructions:
 - a. For questions regarding the tool, please contact the DMHDDSAS Budget and Finance Section at 919-733-7013.
 - b. Please email electronic copy to Jay.Dixon@dhhs.nc.gov, with copy to Sheryl.Plummer@dhhs.nc.gov.
 - c. Submit by email the information by the 20th of the month following the month that the substance use disorder expenditures were incurred;
 - d. Report state funded Non-UCR and Provider Outlay costs only to the extent that these costs are not duplicated in NCTracks paid claims or shadow claims reporting for substance use disorder services;
 - e. Exclude all LME-MCO costs and expenditures from any source, including LME-MCO systems management expenditures, administrative operations, financial management, information technology, indirect costs, overhead,

- business infrastructure and support activities, and any other LME-MCO costs, etc.;
- f. Expenditures of state funding that are certified on this tool will be included in the DMHDDSAS SAPT Block Grant Maintenance of Effort (MOE) reporting for substance use disorder services expenditures; and
 - g. Substance use disorder MOE state funding expenditures are subject to verification through state and federal audits, monitoring, and settlement processes involving the LME-MCO and its providers and contractors.
2. The definition of type of state funding substance use disorder expenditure type requires that the LME-MCO select a type of expenditure from the associated drop-down menu on the DMHDDSAS *Non-UCR Monthly Expenditure Detail Report* tool by clicking the appropriate cell in the second column of the tool as follows:
- a. **Capital:** the purchase, renovation or construction of substance use disorder related buildings and purchase of land; includes both for new and existing substance use disorder services or programs receiving state funds.
 - b. **Start-Up:** the purchase of substance use disorder program equipment for a new substance use disorder service or program with state funds;
 - c. **Services:** state funds utilized for the provision of substance use disorder related services;
 - d. **Operations:** state funds for non-LME-MCO related administrative operations, financial management, information technology, indirect costs, overhead, business infrastructure and support activities, and other verifiable expenditures of substance use disorder services of providers and contractors that can be attributed to substance use disorder treatment services.
3. Expenditure Categories for substance use disorder services include the following:
- a. SA State – Non-UCR Treatment Alternatives for Women, Account 536998, Fund 1422
 - b. SA State – Non-UCR MAJORS, Account 536998, Fund 1422
 - c. SA State – Non-UCR Child, Account 536998, Fund 1422
 - d. SA State – Non-UCR Adult Account 536998, Fund 1422
 - e. SA State – Non-UCR TASC, Account 536998, Fund 1422
 - f. **SA State – Non-UCR Special Categorical Inpatient Alcohol and Substance Abuse Treatment Services (New Expenditure Category recommended to be manually added to form)**
4. The authorized LME-MCO representative is required to certify that the costs reported for reimbursement on this report represent allowable state substance abuse disorder expenditures that have been incurred in association with the official duties of the LME-MCO, and that such costs are recorded on the official

LME-MCO fiscal and program records as a substance use disorder expense, and that the amounts are true and correct to the best of the knowledge and belief of the authorized representative who is certifying the expenditure and is representing both fiscal and program staff at the LME-MCO.