Table of Contents

State/Territory Name:  North Carolina

State Plan Amendment (SPA) #: 21-0021

This file contains the following documents in the order listed:

1) Approval Letter
2) Summary Form (with 179-like data)
3) Approved SPA Pages
February 8, 2022

Dave Richard  
Deputy Secretary, NC Medicaid  
North Carolina Department of Health and Human Services  
2501 Mail Service Center  
Raleigh, NC 27699-2501

Re: North Carolina State Plan Amendment 21-0021

Dear Mr. Richard:

We reviewed your proposed Medicaid State Plan Amendment, NC 21-0021, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on November 29, 2021. This amendment proposes to allow Substance Abuse Medically Monitored Residential Treatment, Substance Abuse Non-Medical Community Residential Treatment, and Non-Hospital Medical Detoxification to be provided for more than 45 days in a 12-month period. This is a change and increase from the previous 30 days of service.

CMS approved NC 21-0021 on February 7, 2022, with an effective date of October 1, 2021.

If you have any questions regarding this amendment, please contact William Pak at (404) 562-7407 or via email at William.Pak@cms.hhs.gov.

Sincerely,

James G. Scott, Director  
Division of Program Operations  
Medicaid and CHIP Operations Group
# TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

**FOR: HEALTH CARE FINANCING ADMINISTRATION**

**TO: REGIONAL ADMINISTRATOR**

**DEPARTMENT OF HEALTH AND HUMAN SERVICES**

<table>
<thead>
<tr>
<th>1. TRANSMITTAL NUMBER:</th>
<th>21-0021</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. STATE</td>
<td>NC</td>
</tr>
<tr>
<td>3. PROGRAM IDENTIFICATION:</td>
<td>TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)</td>
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</tbody>
</table>

**4. PROPOSED EFFECTIVE DATE**

October 1, 2021

**5. TYPE OF PLAN MATERIAL (Check One):**

- [ ] NEW STATE PLAN
- [ ] AMENDMENT TO BE CONSIDERED AS NEW PLAN
- [ ] AMENDMENT

Complete Blocks 6 thru 10 if this is an amendment (Separate Transmittal for each amendment)

**7. FEDERAL BUDGET IMPACT:**

| a. FFY 2021 | $5,913 |
| b. FFY 2022 | $22,702 |

**8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:**

- Attachment 3.1-A.1, Pages 15a.11, 15a.11-A, 15a.12-A
- Attachment 4.19-B, Section 3, Page 1

**9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):**

- Attachment 3.1-A.1, Pages 15a.11, 15a.11-A, 15a.12-A
- Attachment 4.19-B, Section 3, Page 1

**10. SUBJECT OF AMENDMENT:**

Clinical Coverage Policy (CCP) 8A Substance Abuse Demonstration (SUD) Flexibilities

**11. GOVERNOR’S REVIEW (Check One):**

- [ ] GOVERNOR’S OFFICE REPORTED NO COMMENT
- [ ] COMMENTS OF GOVERNOR’S OFFICE ENCLOSED
- [ ] NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL
- [ ] OTHER, AS SPECIFIED: Secretary

**12. SIGNATURE OF STATE AGENCY OFFICIAL:**

[Redacted]

**13. TYPED NAME:**

Mandy Cohen, MD, MPH

**14. TITLE:**

Secretary

**15. DATE SUBMITTED:**

11/29/2021

**16. RETURN TO:**

Office of the Secretary
Department of Health and Human Services
2001 Mail Service Center
Raleigh, NC 27699-20014

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**FOR REGIONAL OFFICE USE ONLY**

**17. DATE RECEIVED:** November 29, 2021

**18. DATE APPROVED:** February 7, 2022

**19. EFFECTIVE DATE OF APPROVED MATERIAL:** October 1, 2021

**20. TYPED NAME:**

[Redacted]

**21. TITLE:** Director, Division of Program Operations

**22. TITLE:**

[Redacted]

**23. REMARKS:**

Pen and ink changes made to Box 8 and Box 9 with approval of the state on December 22, 2021.
13. d. **Diagnostic, Screening, Treatment, Preventive and Rehabilitative Services (continued)**

*Description of Services*

(xiii) **Substance Abuse Non-Medical Community Residential Treatment**

This is a 24 hour residential recovery program professionally supervised that works intensively with adults. It is a licensed rehabilitation facility with 16 beds or less without medical nursing/monitoring, with a planned program of professionally directed evaluation, care and treatment for the restoration of functioning for persons with an addictions disorder. Programs include assessment/referral, individual and group therapy, family recovery, recovery skills training, care management, symptoms monitoring, medication monitoring and self-management of symptoms. Care management and coordination includes coordination with other providers to assure continuity of services, discharge planning, and coordination of care among providers. Services in the person centered plan will be adapted to the client’s developmental and cognitive level. Staff requirements are CCS, LCAS and CSAC; or a QP, AP or paraprofessional (staff definitions are included at the end of this document). Medical necessity is defined in the body of the definition and utilization review will be required. Documentation must include: a daily full service note that includes the recipient’s name, Medicaid identification number, date of service, purpose of contact, describes the provider’s interventions, time spent performing the intervention, effectiveness of the intervention, and the signature of the staff providing the service. This service will not be billed on the same day as any other MH/DD/SAS service. Medicaid will not pay room and board; will pay only the treatment component. This service must be ordered by an MD, NP, PA or PhD psychologist. Prior approval will be required via the statewide UR vendor or by an approved LME contracted with the Medicaid Agency and meeting the same standards and requirements as the statewide vendor. This initial prior approval process will ensure that the level of the service is appropriate and concurrent reviews will determine the ongoing medical necessity for the service or the need to move up or down the continuum of services to another level of care. This is a short term service that cannot be provided for more than 45 days in a 12 month period. The 45 day maximum can be exceeded based on medical necessity.

(xiv) **Exclusions and limitations of Substance Abuse Non-Medical Community Residential Treatment are:**

- This service cannot be billed the same day as any other MHSA service except CST or ACT.
- For beneficiaries under the age of 21, additional products, services, or procedures may be requested even if they do not appear in the N.C. State Plan or when coverage is limited to those over 21 years of age. Service limitations on scope, amount, or frequency described in the coverage policy may not apply if the product, service, or procedure is medically necessary.
13. d. Diagnostic, Screening, Treatment, Preventive and Rehabilitative Services (continued)

Description of Services

(xiv) Substance Abuse Medically Monitored Residential Treatment
This is a 24 hour non-hospital, medically monitored residential recovery program in a facility with 16 beds or less, with 24 hour medical/nursing monitoring where a planned program of professionally directed evaluation, care and treatment for the restoration of functioning for persons with alcohol and other drug problems/addictions occurs. This facility is not a detoxification facility but the focus is on treatment after detoxification has occurred. Substance Abuse Medically Monitored Residential Treatment service is provided in a non-hospital rehabilitation facility and provides assessments, monitoring of patient's progress and medication administration, treatment relating to restoration of functioning (sustained improvement in health and psychosocial functioning, reduction of psychiatric symptoms when present, and reduction in risk of relapse); and staff serve first responder for crisis intervention. Treatments related to restoration of functioning include individual counseling, group counseling, family counseling, biochemical assays, life skills training, strategies for relapse prevention, and self-management of symptoms.

It is staffed by Certified Clinical Supervisor, Licensed Clinical Addiction Specialist and Certified Substance Abuse Counselor’s, QPs, APs and paraprofessionals with training and expertise with this population. Documentation must include: a daily full service note that includes the recipient’s name, Medicaid identification number, date of service, purpose of contact, describes the provider’s interventions, includes the time spent performing the interventions, effectiveness of the intervention, and the signature of the staff providing the service. This service must be ordered by an MD, NP, PA or PhD psychologist. Prior approval will be required via the statewide UR vendor or by an approved LME contracted with the Medicaid Agency and meeting the same standards and requirements as the statewide vendor. This initial prior approval process will ensure that the level of the service is appropriate and concurrent reviews will determine the ongoing medical necessity for the service or the need to move up or down the continuum of services to another level of care. This is a short term service that cannot be provided for more than 45 days in a 12 month period. The 45 day maximum can be exceeded based on medical necessity.

Exclusions and limitations of Substance Abuse Medically Monitored Residential Treatment are:
• This service cannot be billed the same day as any other MHSA service except CST or ACT.
• For beneficiaries under the age of 21, additional products, services, or procedures may be requested even if they do not appear in the N.C. State Plan or when coverage is limited to those over 21 years of age. Service limitations on scope, amount, or frequency described in the coverage policy may not apply if the product, service, or procedure is medically necessary.
13. **D. Diagnostic, Screening, Treatment, Preventive and Rehabilitative Services (continued)**

**Description of Services**

(xvi) **Non-Hospital Medical Detoxification**

Medically monitored detoxification is an organized service by medical and nursing professionals that provides for 24 hour medically supervised evaluations and withdrawal management in a licensed permanent facility affiliated with a hospital or in a freestanding facility of 16 beds or less. It is staffed by CCS, LCAS, CSAC, QP, AP and paraprofessionals. A physician is available 24 hours a day by telephone and conducts an assessment within 24 hours of admission. A registered nurse is available to conduct a nursing assessment on admission and oversee the monitoring of patient’s progress and medications. Specifics of clinical criteria are included in the definition. The focus of this service is detoxification. Documentation must include: a daily full service note that includes the recipient’s name, Medicaid identification number, date of service, purpose of contact, describes the provider’s interventions, includes the time spent performing the interventions, effectiveness of the intervention, and the signature of the staff providing the service. This service must be ordered by an MD, NP, PA or PhD psychologist. Prior approval will be required via the statewide UR vendor or by an approved LME contracted with the Medicaid Agency and meeting the same standards and requirements as the statewide vendor. This initial prior approval process will ensure that the level of the service is appropriate and concurrent reviews will determine the ongoing medical necessity for the service or the need to move up or down the continuum of services to another level of care. This is a short term service that cannot be provided for more than 45 days in a 12 month period. The 45 day maximum can be exceeded based on medical necessity.