



North Carolina Department of Health and Human Services
Division of Medical Assistance

2501 Mail Service Center • Raleigh, N. C. 27699-2501 • Tel 919-855-4100 • Fax 919-733-6608

Beverly Eaves Perdue, Governor
Lanier M. Cansler, Secretary

Craig L. Gray, MD, MBA, JD, Director

May 4, 2012

Subject: Adult Care Homes At-Risk for Designation as Institutions for Mental Disease

Dear County Director of Social Services:

Notices were sent out beginning April 26, 2012 to Special Assistance (SA) recipients residing in an Adult Care home identified as being at-risk for designation as an Institution for Mental Disease (IMD). The Division of Medical Assistance (DMA) is currently conducting evaluations to determine whether any of the Adult Care homes in North Carolina meet the definition an IMD. The notices inform recipients that Medicaid cannot be used to pay for services for individuals residing in a facility designated as an IMD.

Attached to this letter are copies of the notice sent to the SA recipient and authorized representative, if applicable. Facility administrators have received letters advising them of their status as at-risk for determination as an IMD. Subsequent notices will be sent to other SA/Medicaid recipients residing in facilities if they are designated as being at risk for determination as an IMD. DMA will notify the County Departments of Social Services (DSS) by Terminal Message Listserv when recipients residing in an Adult Care Home at-risk for determination as an IMD have been notified.

Medicaid and SA eligibility staff may need to take action for an SA/Medicaid recipient in a facility that is determined to be an IMD. Should a facility be determined to be an IMD, immediate Medicaid suspension in EIS for these SA/Medicaid recipients residing in the facility will be handled by DMA. If an SA recipient moves out of an IMD, county eligibility staff will reevaluate Medicaid eligibility. Because SA recipients may live in facilities in counties other than the county where their SA/Medicaid originates, a State-sanctioned Client Services Data Warehouse (CSDW) report is available in order for counties to determine if they have Special Assistance recipients residing in these facilities. The report is found in **CSDW Public Folders, DHHS Main Document, DAAS, Shared, State Sanctioned and named "SA Active Cases in IMD"**. Counties will enter the three-digit facility code, their county name and the current benefit month in the "prompt" fields.

If the recipient has questions about the letter, they may contact the DMA at 919-822-4276 or the Division of Aging and Adult Services, SA unit at 919-855-3400.

If you have any questions regarding this information, please contact your Medicaid Program Representative.

Sincerely,

Craig L Gray, MD, MBA, JD, Director

CLG/el
Attachments





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Division of Medical Assistance

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Beverly Eaves Perdue, Governor
Albert A. Delia, Acting Secretary

Craig L. Gray, MD, MBA, JD, Director

Date

[Insert Individual or Guardian Name]

[Insert facility name]

[Address 1]

[Address 2]

Dear [insert Individual or Guardian Name]:

The NC Department of Health and Human Services (DHHS) is required by the federal Centers for Medicare and Medicaid Services (CMS) to ensure that Medicaid funding is used in accordance with federal Medicaid law. CMS became concerned that some adult care homes operating in North Carolina met the definition of an Institution for Mental Disease (IMD). Under federal law, Medicaid cannot be used to pay for services for individuals living in facilities that meet the definition of an IMD. An IMD is defined as a facility with more than 16 beds that is primarily engaged in providing diagnosis, treatment, or care of persons with mental diseases, including medical attention, nursing care and related services.

CMS instructed DHHS to gather and review information about adult care homes and their residents to determine whether any of the adult care homes in North Carolina meet the federal IMD definition. Based on our preliminary review of the information, [insert facility name] is at risk of being classified as an IMD. If [Insert facility name] is found to be an IMD, you will receive a notice from the Division of Medical Assistance telling you that Medicaid cannot pay for any of your services as long as you continue to live at [insert facility name].

There are no appeal rights or continuation of benefits for Medicaid recipients who are determined to be living in an IMD. However, if you move out of facility name to a private residence or to a facility that is NOT an IMD, Medicaid will resume paying for your medically necessary services if all Medicaid eligibility requirements are met. Again, this letter is being sent to let you know that [insert facility name] is at risk of being designated an IMD; the final decision has not been made. Final decisions will be made no later than June 30, 2012.

Local management entities and county departments of social services will be assisting residents of adult care homes with locating alternative housing arrangements if needed.

Please do not hesitate to contact Betty Jones at 919-855-4276 or betty.jones@dhhs.nc.gov if you have questions about this letter.

Sincerely,

Craig L. Gray, MD, MBA, JD

CLG/lr





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Beverly Eaves Perdue, Governor
Albert A. Delia, Acting Secretary

Craig L. Gray, MD, MBA, JD, Director

Date

[Insert Guardian or Representative Name]
Guardian or Representative Address
City, NC Zip

Subject: Name of Resident/Recipient

Dear [insert Guardian or Representative Name]:

We are sending this letter to you as the (guardian or authorized representative) for (name of resident/recipient). A copy of this letter has also been sent to (name of resident/recipient).

The NC Department of Health and Human Services (DHHS) is required by the federal Centers for Medicare and Medicaid Services (CMS) to ensure that Medicaid funding is used in accordance with federal Medicaid law. CMS became concerned that some adult care homes operating in North Carolina met the definition of an Institution for Mental Disease (IMD). Under federal law, Medicaid cannot be used to pay for services for individuals living in facilities that meet the definition of an IMD. An IMD is defined as a facility with more than 16 beds that is primarily engaged in providing diagnosis, treatment, or care of persons with mental diseases, including medical attention, nursing care and related services.

CMS instructed DHHS to gather and review information about adult care homes and their residents to determine whether any of the adult care homes in North Carolina meet the federal IMD definition. Based on our preliminary review of the information, [insert facility name] is at risk of being classified as an IMD. If [insert facility name] is found to be an IMD, (name of resident/recipient) will receive a notice from the Division of Medical Assistance telling you that Medicaid cannot pay for any of your services as long as you continue to live at [insert facility name].

There are no appeal rights or continuation of benefits for Medicaid recipients who are determined to be living in an IMD. However, if (name of resident/recipient) moves out of [insert facility name] to a private residence or to a facility that is NOT an IMD, Medicaid will resume paying for (name of resident/recipient's) medically necessary services if all Medicaid eligibility requirements are met. Again, this letter is being sent to let you know that [insert facility name] is at risk of being designated an IMD; the final decision has not been made. Final decisions will be made no later than June 30, 2012.

Local management entities and county departments of social services will be assisting residents of adult care homes with locating alternative housing arrangements if needed.



[insert Guardian or representative Name]

April 25, 2012

RE: Name of Resident/Recipient

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Please do not hesitate to contact Betty Jones at 919-855-4276 or betty.jones@dhhs.nc.gov if you have questions about this letter.

Sincerely,

on behalf of Craigan L. Gray, MD, MBA, JD

CLG/lr

