STATE OF NORTH CAROLINA
DEPARTMENT OF HEALTH AND HUMAN SERVICES

JOSH STEIN
GOVERNOR

DEVDUTTA SANGVAI
SECRETARY

March 20, 2025

James Scott, Director
Division of Program Operations
Department of Health & Human Services
Centers for Medicare & Medicaid Services
601 East 12th Street Room 355
Kansas City, Missouri 64106

SUBJECT: State Plan Amendment
Title XIX, Social Security Act
Transmittal #2025-0006

Dear Mr. Scott:

Please find attached an amendment for North Carolina's State Plan under Title XIX of the Social Security Act for the Medical Assistance Program.

This state plan change will include targeted case management services for Medicaid-eligible juveniles who are inmates of a public institution within the 30-day period prior to release, in accordance with provision 5121 of the Consolidated Appropriations Act (CAA) of 2023. Rates are based on the appropriate care management provider type. The proposed effective date for the SPA is January 1, 2025.

Your approval of this state plan amendment is requested. If you have any questions or concerns, please contact me or Ashley Blango at (919) 812-6145.

Sincerely,

DocuSigned by:
Jay Ludlam
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Jay Ludlam
Deputy Secretary

Enclosures

State Plan under Title XIX of the Social Security Act
State/Territory: North Carolina

TARGETED CASE MANAGEMENT SERVICES FOR ELIGIBLE JUVENILES

Target Group (42 Code of Federal Regulations 441.18(a)(8)(i) and 441.18(a)(9)):

Eligible juveniles as defined in §1902(nn) (individuals who are under 21 years of age and determined eligible for any Medicaid eligibility group, or individuals determined eligible for the mandatory eligibility group for former foster care children age 18 up to age 26, immediately before becoming an inmate of a public institution or while an inmate of a public institution) who are within 30 days of their scheduled date of release from a public institution **following adjudication**. North Carolina will not be using Targeted Case Management authority in the post-release period.

Post Release TCM Period beyond 30 day post release minimum requirement:
☐ State will provide TCM beyond the 30 day post release requirement.
[explain]: North Carolina will not be using Targeted Case Management authority in the post-release period

Areas of State in which services will be provided (§1915(g)(1) of the Act):
☒Entire state

Comparability of services (§§1902(a)(10)(B) and 1915(g)(1))
☒Services are not comparable in amount duration and scope (§1915(g)(1)).

Definition of services (42 CFR 440.169): Targeted case management (TCM) services are defined as services furnished to assist individuals, eligible under the State Plan, in gaining access to needed medical, social, educational and other services.

Targeted Case Management includes the following assistance:

- Comprehensive assessment and periodic reassessment of individual needs, to determine the need for any medical, educational, social or other services. These assessment activities include:
  - taking client history;
  - identifying the individual's needs and completing related documentation; and
  - gathering information from other sources such as family members, medical providers, social workers, and educators (if necessary), to form a complete assessment of the eligible individual;

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The periodic reassessment is conducted every (check all that apply):

☐ 1 month
☐ 3 months
☐ 6 months
☐ 12 months
☒Other frequency **[explain]:** In the 30 days prior to release from a correctional facility, a care manager will meet with eligible juveniles to administer the initial comprehensive assessment, which will inform development of the care plan. Care managers will conduct a periodic reassessment at least annually; however, North Carolina will not be using Targeted Case Management authority in the post-release period.

❖ Development (and periodic revision) of a specific care plan that is based on the information collected through the assessment that:
- specifies the goals and actions to address the medical, social, educational, and other services needed by the individual;
- includes activities such as ensuring the active participation of the eligible individual, and working with the individual (or the individual's authorized health care decision maker) and others to develop those goals; and
- identifies a course of action to respond to the assessed needs of the eligible individual;

❖ Referral and related activities, including referrals to appropriate care and services available in the geographic region of the home or residence of the eligible juvenile, where feasible (such as scheduling appointments for the individual) to help the eligible individual obtain needed services including:
- activities that help link the individual with medical, social, educational providers, or other programs and services that are capable of providing needed services to address identified needs and achieve goals specified in the care plan; and

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- Frequency of additional monitoring:

Specify the type and frequency of monitoring (check all that apply)

☐ Telephonic. Frequency:

☐ In-person. Frequency:

☒Other **[explain]:** In the 30 days pre-release, the care manager will meet with eligible individuals at least once. The contact will be in-person as a best practice but may be either in person or virtual depending on whether it is logistically feasible to meet in-person. The care manager will make as many contacts as needed (in-person or virtual) to complete the below activities during the pre-release period:

- Conducting a comprehensive needs assessment and periodic reassessment that gathers information on the individual's medical, educational, social or other needs during the pre- and post-release periods. These assessment activities include
  - taking client history;
  - identifying the individual's needs and completing related documentation; and
  - gathering information from other sources such as family members, medical providers, social workers, and educators (if necessary), to form a complete assessment of the eligible individual.
- Using the comprehensive needs assessment to develop a reentry person-centered care plan that
  - specifies the goals and actions to address the medical, social, educational, and other services needed by the individual;
  - includes activities such as ensuring the active participation of the eligible individual, and working with the individual (or the individual's authorized health care decision maker) and others to develop those goals; and
  - identifies a course of action to respond to the assessed needs of the eligible individual.
- Obtaining informed consent, when needed, to furnish services and/or to share information with other entities to improve coordination of care.
- Ensuring that necessary appointments with post-release care providers and community-based services and supports are arranged, including facilitating logistics/attendance at necessary appointments with pre-release care providers.
- Preparing individuals for reentry through education related to health literacy and

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TARGETED CASE MANAGEMENT SERVICES FOR ELIGIBLE JUVENILES

health system navigation support and education.

- Providing a warm handoff between the pre-release facility-based care manager and the post-release care manager (if different):

For one-year post-release, eligible individuals will receive reentry care management across physical and behavioral health needs and health-related social needs (HRSNs); however, North Carolina will not be using Targeted Case Management authority in the post-release period.

☒Case management includes contacts with non-eligible individuals that are directly related to identifying the eligible individual's needs and care, for the purposes of helping the eligible individual access services; identifying needs and supports to assist the eligible individual in obtaining services; providing case managers with useful feedback, and alerting case managers to changes in the eligible individual's needs. For instance, a case manager might also work with state children and youth agencies for children who are involved with the foster care system.
(42 CFR 440.169(e))

☒If another case manager is involved upon release or for case management after the 30-day post release mandatory service period, states should ensure a warm hand off to transition case management and support continuity of care of needed services that are documented in the person-centered care plan. A warm handoff should include a meeting between the eligible juvenile, and both the pre-release and post-release case manager. It also should include a review of the person-centered care plan and next steps to ensure continuity of case management and follow-up as the eligible juvenile transitions into the community.

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Qualifications of providers (42 CFR 441.18(a)(8)(v) and 42 CFR 441.18(b)):
[Specify provider qualifications that are reasonably related to the population being served and the case management services furnished.]

Pre-release Targeted Case Management will be provided by two types of qualified providers with expertise in serving the reentry population:

- **Eastern Band of Cherokee Indians (EBCI) Tribal Option**. The EBCI Tribal Option is a primary care case management entity (PCCMe) managed by the Cherokee Indian Hospital Authority (CIHA) to meet the primary care coordination needs of federally-recognized tribal members and others eligible for services through Indian Health Service (IHS). The EBCI Tribal Option offers care coordination and management of medical, behavioral health, pharmacy, dental, LTSS and other services to address the health needs of eligible individuals. Additionally, EBCI is implementing various initiatives to support the reentry of tribal members transitioning back to their community following release from a carceral setting (e.g., providing linkages to employment upon reentry). CIHA also plays the primary role in delivering health care services to individuals in the EBCI Justice Center, which includes a 96-bed jail, Cherokee Tribal Court and offices, and the Cherokee Police Department.

- **Local Management Entities/Managed Care Organizations (LME/MCOs).** LME/MCOs support the reentry population through multiple state-funded programs today and will leverage this expertise to serve eligible juveniles. LME-MCOs also have significant experience providing care management/coordination to individuals with a behavioral health condition (including both mental health and substance use disorders), intellectual/developmental disability (I/DD), or traumatic brain injury (TBI). While LME/MCOs offer managed care products, for the purpose of targeted case management under this SPA, they will be a provider and not a managed care plan.

Each qualified provider must staff case management teams with the following positions:

- **Supervisor**. The supervising care manager must be a Registered Nurse (RN), Licensed Clinical Social Worker (LCSW), or other fully licensed behavioral health provider (e.g., Licensed Psychological Associate (LPA), Licensed Clinical Mental Health Counselor (LCMHC), Licensed Marriage and Family Therapist (LMFT)) with a recommended two years of work or lived experience with the reentry population.
- **Care manager**. For individuals with serious mental illness, severe emotional disturbance, SED, severe SUD, I/DD, and/or TBI, the care manager must meet

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North Carolina's definition for a Qualified Professional. For individuals who do not have these needs, the care manager must have a bachelor's degree, at a minimum. Work or lived experience working with the justice system recommended.

- **Certified peer support specialists or community health workers (recommended member of the team).** Work or lived experience within the justice system recommended.

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Freedom of choice (42 CFR 441.18(a)(1)):
☒The State assures that the provision of case management services will not restrict an individual's free choice of providers in violation of section 1902(a)(23) of the Act.

1. Eligible individuals will have free choice of any qualified Medicaid provider within the specified geographic area identified in this plan.
2. Eligible individuals will have free choice of any qualified Medicaid providers of other medical care under the plan.

Freedom of Choice Exception (§1915(g)(1) and 42 CFR 441.18(b)):
☐ Target group consists of eligible individuals with developmental disabilities or with chronic mental illness. Providers are limited to qualified Medicaid providers of case management services capable of ensuring that individuals with developmental disabilities or with chronic mental illness receive needed services:

[Identify any limitations to be imposed on the providers and specify how these limitations enable providers to ensure that individuals within the target groups receive needed services below.]

State does not have any additional limitations

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Access to Services (42 CFR 441.18(a)(2), 42 CFR 441.18(a)(3), 42 CFR 441.18(a)(6)):
The state assures the following:

- Case management (including targeted case management) services will not be used to restrict an individual's access to other services under the plan.
- Individuals will not be compelled to receive case management services, condition receipt of case management (or targeted case management) services on the receipt of other Medicaid services, or condition receipt of other Medicaid services on receipt of case management (or targeted case management) services; and
- Providers of case management services do not exercise the agency's authority to authorize or deny the provision of other services under the plans.
- Delivery of TCM and the policies, procedures, and processes developed to support implementation of these provisions are built in consideration of the individuals release and will not effectuate a delay of an individual's release or lead to increased involvement in the juvenile and adult justice systems.

Payment (42 CFR 441.18(a)(4)):
☒The state assures payment for case management or targeted case management services under the plan does not duplicate payments made to public agencies or private entities under other program authorities for this same purpose.

Case Records (42 CFR 441.18(a)(7)):
☒The state assures providers maintain case records that document for all individuals receiving case management as follows: (i)The name of the individual; (ii) The dates of the case management services; (iii)The name of the provider agency (if relevant) and the person providing the case management service; (iv) The nature, content, units of the case management services received and whether goals specified in the care plan have been achieved; (v) Whether the individual has declined services in the care plan; (vi) The need for, and occurrences of, coordination with other case managers; (vii) A timeline for obtaining needed services; (viii) A timeline for reevaluation of the plan.

Limitations:
☒The state assures that case management does not include, and Federal Financial Participation (FFP) is not available in expenditures for, services defined in §440.169 when the case management activities are an integral and inseparable component of another covered Medicaid service (State Medicaid Manual (SMM) 4302.F).

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Case management does not include, and Federal Financial Participation (FFP) is not available in expenditures for, services defined in §440.169 when the case management activities constitute the direct delivery of underlying medical, educational, social, or other services to which an eligible individual has been referred, including for foster care programs, services such as, but not limited to, the following: research gathering and completion of documentation required by the foster care program; assessing adoption placements; recruiting or interviewing potential foster care parents; serving legal papers; home investigations; providing transportation; administering foster care subsidies; making placement arrangements. (42 CFR 441.18(c))
FFP only is available for case management services or targeted case management services if there are no other third parties liable to pay for such services, including as reimbursement under a medical, social, educational, or other program except for case management that is included in an individualized education program or individualized family service plan consistent with §1903(c) of the Act. (§§1902(a)(25) and 1905(c))

☐ State has additional limitations **[Specify any additional limitations.]**
State does not have any additional limitations

State Plan under Title XIX of the Social Security Act
Medical Assistance Program

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PAYMENTS FOR MEDICAL AND REMEDIAL CARE AND SERVICE

H. TARGETED CASE MANAGEMENT SERVICES FOR ELIGIBLE JUVENILES

Services are being provided for targeted case management services for individuals up to age 21, or ages 18-26 formerly enrolled in the Medicaid Foster Care Program.

This service will be provided in accordance with Supplement 1 to Attachment 3.1-A, Pages 11-11f allowing for the provision of Medicaid-covered targeted case management services in accordance with requirements in Consolidated Appropriations Act of 2023 (CAA 5121).

The rate for Targeted Case Management Services for Eligible Juveniles methodology was established based on a Fixed Case Rate, to be paid once per month after interaction occurs with the member. This approach aligns with the Tailored Care Management structure.

Except as otherwise noted in the plan, state-developed fee schedule rate is the same for both governmental and private providers of Targeted Case Management Services for Eligible Juveniles.

The agency's fee schedule is effective January 1, 2025, for services provided on or after that date. Providers will be reimbursed at the lower of the fee schedule rate or their usual and customary charge. The Fee schedule is published on the agency's website at https://ncdhhs.servicenowservices.com/fee_schedules.

Payment for case management or targeted case management services under the plan does not duplicate payments to public agencies or private entities under other program authorities for this same purpose.

In the event this service is operated by a 638 Compact or Indian Health Service Provider, the rate of reimbursement shall be the All-Inclusive Rate (AIR) established on an annual basis as published in the Federal Register.

In the event this service is operated by a 638 Compact or Indian Health Service Provider and is not covered under the criteria to receive the All-Inclusive Rate (AIR), the provider is subject to the NC Medicaid Fee Schedule or other agreed upon rate(s) by the payor.