

## Services and Supports, Medicaid, and the State Budget

The state of North Carolina funds services to people with Autism Spectrum Disorder in several ways:

- Direct appropriation that supports nonprofit groups such as ASNC
- Medicaid
- State-funded services, formerly called IPRS
- Other county and state funds such as Special Assistance

**State-Funded Services, formerly IPRS:** The state of North Carolina directly funds some services, which are then managed by Local Management Entities/Managed Care Organizations\* (LME/MCOs). At one time, state-funded services were called “IPRS dollars,” which stood for Integrated Payment and Reporting System. IPRS was the mechanism through which the state (via the Local Management Entities and the Division of Mental Health, Developmental Disabilities and Substance Abuse Services\*\*) tracked how state services dollars were being used. The LME/MCO authorizes the state-funded services outlined in an individual’s person-centered plan, and providers of state-funded services provide services to individuals. State-funded services are typically used for individuals who have no other resources to pay for services and supports. State-funded services are not considered an entitlement and are dependent on the availability of funding from the legislature. ASNC is a provider of state-funded services including Developmental Therapies, Personal Assistance and Respite. These funds have been drastically reduced in the past couple of years.

**Medicaid:** The federal government’s Medicaid program was designed to assist low-income individuals in accessing health-care services by matching state funds with federal funds for approved health services. To qualify, people must meet income and asset criteria, as well as fit certain categories, such as recipients of the Temporary Assistance for Needy Families Program, low-income pregnant women, disabled individuals, children from low-income families. Most adults, unless they have a significant disability, do not qualify for Medicaid. Some states have expanded their Medicaid programs as allowed under the Affordable Care Act to include low-income adults. North Carolina has not yet expanded Medicaid.

Medicaid classifies services and populations as “optional” and “mandatory.” The federal government only requires that states cover limited populations with limited services. For example, low-income pregnant women must be covered for pre-natal care and childbirth, and children in foster care for physical health care – these and others are classified as mandatory populations and services. In addition, states are allowed to cover “optional” populations and “optional” services using the same matching fund formula. Each state chooses which optional populations and optional services it will cover; every state Medicaid plan and program is different. The federal government, through the Centers for Medicare and Medicaid Services (CMS), approves those plans for how states will provide those services. Medicaid covers health services and supports that are medically necessary; it does not for example

cover room and board in facilities, transport to school, and many other related supports.

Once a state Medicaid plan is approved, those populations identified under the plan are usually “entitled” to the services outlined in the plan; they receive them regardless of any circumstances. This is one of the reasons that states struggle with Medicaid budgets in difficult economic times; more low-income people are eligible and entitled to health care. To confuse things more, some programs under Medicaid, such as “waivers,” are **not** an entitlement. States in conjunction with the federal government determine who and how many will be served in programs such as the home and community-based waiver; when the slots are full, the government does not open more to serve all who qualify.

ALL services for treatment and support for mental health, developmental disabilities, and substance abuse are considered optional under Medicaid, as are all those populations, with some exceptions. Children who qualify for services under Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) laws are entitled to care. Enforcing services for children under EPSDT has been proven to be difficult for children with autism and other developmental disabilities because the program does not cover habilitative services, but rehabilitative ones. A recent memo from the Centers for Medicare and Medicaid Services requires that states cover services for autism under EPSDT, but does not list specific services that must be used. It allows states time and flexibility to determine what changes, if any, they need to make in their array of services and their state plan for Medicaid. North Carolina plans to review current Medicaid services for children, seek input on needed changes and make recommendations to the legislature to approve those changes in 2015.

Other optional Medicaid services are dental, orthopedics, vision, etc. The NC legislature often talks about eliminating optional services because the state is not required to provide them. They have yet to do so, though other states have.

Advocates regularly make the argument that these Medicaid services are an important option because they prevent future problems, they help people stay in communities and at home, and they cost less than institutional settings. That does not change the fact that the federal government does not require states to offer these options.

**Special Assistance** provides additional state and county funds to cover the cost of living in licensed facilities such as rest homes, adult care homes and mental health group homes and to help pay for services that would keep individuals out of these facilities and living at home. Special Assistance has recently been de-coupled from facility-based services and can be used with other funds, residential supports, Section 8 HUD housing vouchers, etc. in a “money follows the person” fashion to give individuals more options for community living and support. This allows for other housing options and more choice in where and how individuals live.

*\*Local Management Entities/Managed-Care Organizations (LME/MCOs) are agencies of local government – area authorities or county programs – that are responsible for managing, coordinating, facilitating, and monitoring the provision of mental health, developmental disabilities and substance abuse services in the catchment area served. LME/MCO responsibilities include offering consumers 24/7/365 access to services,*

*developing and overseeing providers, and handling consumer complaints and grievances. LME/MCOs now manage Medicaid services using a managed-care model: they are paid a set amount of money to manage care for individuals with mental illness, developmental disabilities, and addictive disease in a particular geographic region of NC.*

*\*\*The Division of Mental Health, Developmental Disabilities and Substance Abuse Services is the state agency charged with overseeing MHDDSAS services at the state level and determining policies and practices used by programs that operate with state funds. Their mission is "North Carolina will provide people with, or at risk of, mental illness, developmental disabilities and substance abuse problems and their families the necessary, prevention, intervention, treatment, services and supports they need to live successfully in communities of their choice."*