Services and Supports, Medicaid, and the State Budget

The state of North Carolina funds services to people with Autism spectrum disorder in several ways: a) through direct appropriation that supports non-profit groups like ASNC, b) though state funded services – sometimes referred to as single stream funding, formerly called IPRS, c) though Medicaid (more on that below) d) through other county and state funds such as Special Assistance. e) through other federal programs administered through the state such as Vocational Rehabilitation and Early Intervention programs, such as Child Developmental Service Agencies.

**State Funded Services, formerly IPRS.** The state of North Carolina directly funds some services which are then managed by LME-MCOs, Local Management Entities Managed Care Organizations*. 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 and take family income into consideration for eligibility. In the state budget, these funds may be referred to as “single stream funding” for services. ASNC is a provider of state funded services including Developmental Therapies, Personal Assistance, Respite, Supported Employments (LTVS) which vary MCO to MCO. These funds have been drastically reduced in recent years, with an estimated $500 million removed from 2014 to 2019. Some funding, in the $30-$50 million dollar range, has been replaced due to the availability of state and federal COVID relief funding.

*Note: At one time state funded services were called "IPRS dollars" which stood for Integrated Payment and Reporting System and 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.

**Medicaid basics:** The Federal government’s Medicaid program was designed to assist low-income individuals in accessing health care 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 categorical requirements such as: be on the Temporary Assistance for Needy Families Program; be a low-income pregnant woman; be disabled (as determined by Social Security); be a child from a low-income family. Most adults aged 22 and older, unless they have a significant disability, do not qualify for Medicaid in North Carolina. 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 to include this population.

Medicaid classifies services and populations as “optional” and “mandatory.” The Federal government only requires that states cover limited populations and with limited services. For example, low-income pregnant women are covered for pre-natal care and childbirth, children in foster care for physical health care – these and others are classified as mandatory populations and services. In addition, states may choose to cover “optional” populations and “optional” services using the same matching fund formula. Every state chooses which optional populations and optional services they will get: every state Medicaid plan and program is different. The Federal government through the Center 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; rent/mortgage, utilities, or food in supported housing; transport to school; and many other disability 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 get them as long as they meet the eligibility requirements to be part of Medicaid’s health plan. This is one of the reasons 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. This means that NC, in conjunction with the Federal government determines who and how many will be served in programs like the home and community-based waiver, based on the funding that is allocated. When the available slots in waiver programs are full the state may or may not fund more slots to serve all who qualify.

ALL services for treatment and support of people with MI, IDD and SUD are considered optional under Medicaid, as are all those populations, with some exceptions. Children under 21 who qualify for services under EPSDT laws, Early Periodic Screening Diagnosis and Treatment, are entitled to care/treatment. Enforcing the requirement to provide services under EPSDT can be difficult. This is especially true for children with autism and other developmental disabilities because the program does not cover long-term rehabilitative services, but rehabilitative ones. Services under EPSDT can include therapies that are evidenced-based for treatment of a condition, for diagnosis and also include Case Management (TCM).

Other optional Medicaid services are dental, orthopedics, vision, etc. Sometimes the NC Legislature will suggest eliminating optional services because we are 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 (expensive) future problems, people stay in communities/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.

Medicaid is currently undergoing a transformation using a managed care approach to integrate behavioral and physical health care across most Medicaid health programs, not just MH/DD/SA services. Please see the paper on “Managed Care and Medicaid: How Medicaid Transformation, Standard Plans, and Tailored Plans will change Medicaid” for more information.

Special Assistance provides additional state and county funds to cover the cost of community and facility-based living as rest homes, adult care homes, and mental health group homes, as well as to help pay for services that would keep individuals out of these facilities and living in their own homes. Special Assistance has 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.

Vocational Rehabilitation provides people with disabilities assistance with gaining employment and living more independently. These could include things like career counseling, education and training, job placements, medical treatments and assistive technology. VR can help with understanding how employment earnings can affect benefits, while still building a path to self-sufficiency.

Child Developmental Service Agencies help families, caregivers and professionals in serving/supporting infants and toddlers up to three years old who have disabilities or developmental
delays. CDSAs can provide services and help to connect to early intervention services throughout the state. Evaluation and service coordination for the child are free. Other services are based on a sliding fee scales.

*Local Management Entities Managed care Organizations (LME - MCOs) are agencies of local government - area authorities or multi-county programs - who 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, contracting with and overseeing providers who deliver services, managing the financing of services, 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.”