North Carolina Department of Health and Human Services
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Michael F. Easley, Governor

Carmen Hooker Odom, Secretary

January 12, 2007

TO: Providers of Mental Health Services - Direct Enrolled Providers (excluding Local Management Entities)

FROM: Mark Benton, Senior Deputy Director/COO MTB
Division of Medical Assistance

Laketha M. Miller, Controller
DHHS Office of the Controller

SUBJECT: **Mental Health Cost Reporting**

The Division of Medical Assistance (DMA) has determined that the private provider mental health cost reports will not be required for cost reporting periods SFY 2005-2006 and SFY 2006-2007.

In discussions with providers, Local Management Entities (LME) and members of the Developmental Disabilities Facilities Association, DMA was made aware of problems and issues that precluded the private providers of the new enhanced mental health services from being able to provide the data necessary to complete the 2006 and 2007 Mental Health Cost Reports.

DMA, in conjunction with the DHHS Controller's Office, is moving forward with the development of a new cost report specific to these private mental health providers. It is our intent that, by July 1, 2007, providers will know (and be able to begin capturing) the data elements required to complete the SFY 2008 Mental Health Cost Report. This will allow providers time to develop the necessary procedures to capture the required data. We will be establishing a workgroup in the near future and will request participation from interested providers.

NOTE: Residential Treatment providers who were allowed an exemption from the Residential Treatment Cost Report due January 31, 2007, will not be required to go back and submit the 2007 Residential Treatment Cost Report in 2007. However, if a provider would like to be included in the rate analysis for Residential Treatment (I, II, III, IV), DMA will accept their cost report through March 30, 2007.

NOTE: CAP MR/DD providers will submit their annual CAP MR/DD Cost Report for the reporting period July 1, 2006 - June 30, 2007 by September 30, 2007. Notification for training classes and cost report availability will be released soon.

If you should have any questions or concerns regarding any of the Medicaid cost reports for mental health services noted in this memorandum, please contact Christal Kelly, DMA Rate Setting, at (919) 855-4200.

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