



Clinical Communication Bulletin 100

To: All Providers

From: Dr. Paul Garcia, Vice President of Utilization Management and Benefits

Date: May 6, 2026

Subject: Community Living Facilities and Support (CLFS), Long Term Residential and Day Supports (LTRDS), Service Code and Billing Change

Effective July 1, 2026, the North Carolina Department of Health and Human Services (NCDHHS) will discontinue the use of modifiers (U1-U6) to distinguish between service levels for Community Living Facilities and Support (CLFS). Medicaid Direct members will transition from the Medicaid Direct In Lieu of Service CLFS to 1915(b)(3) Long Term Residential and Day Supports (LTRDS), while Tailored Plan members will continue receiving CLFS. A single service code (T2016 U5) will be used for both Medicaid Direct LTRDS and Tailored Plan CLFS. When requesting authorization, the provider will choose the appropriate Service Description to distinguish the level of service requested. The applicable service level will no longer be indicated by a modifier and must instead be reported in the Demonstration Project Identifier field on the provider claim form, using the REF*P4 segment in Loop 2300 of the 837 professional claim.

The 1915(b)(3) Long Term Residential and Day Supports (LTRDS) code and service definition will be effective July 1, 2026.

WHAT IS CHANGING?

The following service codes will be **discontinued effective June 30, 2026**:

- T2016 U5 **U1** - CLFS Level 1
- T2016 U5 **U2**- CLFS Level 2
- T2016 U5 **U3**- CLFS Level 3
- T2016 U5 **U4**- CLFS Level 4
- T2016 U5 **U6** - CLFS Level 5



The following service codes, service descriptions, and claim segments will be **effective July 1, 2026**:

Service Code	Service Description	Milestone Level
T2016 U5	T2016 U5 - Level 1 CLFS/LTRDS - Home Living – resides in private home (alone or with family) or in non-Medicaid residential setting with no home/residential support	M1
T2016 U5	T2016 U5 - Level 2 CLFS/LTRDS – Independent/Supported Living – resides in private home (alone or with unpaid roommate) with 24/7 staff access	M2
T2016 U5	T2016 U5 - Level 3 CLFS/LTRDS -Companion Living – resides in AFL home or provider owned/operated home with paid roommate, overnight (non-awake) staffing	M3
T2016 U5	T2016 U5 - Level 4 CLFS/LTRDS Supervised Living – resides in 3 beds or less provider owned/operated setting with 24/7 overnight (non-awake) staff/virtual monitoring	M4
T2016 U5	T2016 U5 TL - Level 4 CLFS/LTRDS Supervised Living Therapeutic Leave	M4
T2016 U5	T2016 U5 - Level 5 CLFS/LTRDS - Group Living – resides in Licensed Group Home (4 beds or less) with 24/7 awake-overnight staff/virtual monitoring	M5
T2016 U5	T2016 U5 TL - Level 5 CLFS/LTRDS - Group Living Therapeutic Leave	M5

WHAT DO PROVIDERS NEED TO DO?

- Effective July 1, 2026, providers should submit CLFS/LTRDS service authorization requests using T2016 U5 with the appropriate Service Description for requested service level.
- Claims submitted via an 837 should be submitted under T2016 U5 or T2016 U5 TL with the corresponding REF*P4 segment for the service level provided (The format of the REF*P4 segment will contain 1915B3 followed by the designated milestone)
 - Ref *P4*1915B3-M1
 - Ref *P4*1915B3-M2
 - Ref *P4*1915B3-M3
 - Ref *P4*1915B3-M4
 - Ref *P4*1915B3-M5

Be certain to include the milestone to prevent the claim from being processed as a BHUC (Behavioral Health Urgent Care) claim.

- Claims submitted via the portal (CMS1500) The Milestone will be designated by field 19 of the CMS 1500 form. Field 19 will be mandatory for LTRDS services (T2016 U5 or T2016 U5 TL). This field should contain indications of the program, in addition to the milestone being reported. **Examples: 1915B3-M1,1915B3-M2**
- Be certain to include N/A in field 19 if you submit a BHUC (Behavioral Health Urgent Care) claim.
- Trillium's Utilization Management (UM) will end date current and/or under review CLFS authorizations with the discontinued modifiers for June 30, 2026. UM will create new authorizations effective July 1, 2026, under T2016 U5, using the Service Description that aligns with the authorized service level.
- Existing provider contracts will be updated to reflect the code changes.
- Eligible members currently receiving Medicaid Direct CLFS services will automatically be enrolled in 1915(b)(3). Any new requests should be requested via provider portal. *Note: 1915(b)(3) services are capitated and not entitlement. This benefit may be closed for new admissions contingent on the availability of funding.*

WHO DO I CONTACT IF I HAVE QUESTIONS?

For authorization related questions: UM@TrilliumNC.org

For claims related questions: ClaimsSupport@TrilliumNC.org

For provider related questions: NetworkServicesSupport@TrilliumNC.org.