



Clinical Communication Bulletin 005

To: All Enrollees, Stakeholders, and Providers
From: Cindy Ehlers, Vice President of Clinical Operations
Date: November 23, 2015
Subject: Third Party Liability for Mental Health and Substance Use Services

It has long been the policy of the State of NC that State funds for mental health, developmental disabilities and substance abuse services are targeted to individuals who have the highest needs, both in terms of clinical presentation and financial resources. Trillium Health Resources has a responsibility to manage State funds to ensure that people who have no other payor sources have access to critically needed services. If people who do have other resources that will pay for behavioral health services are instead offered State-funded services, the availability of State funding for those people who truly have no other option is jeopardized.

Trillium is committed to spending all of our available State funding, including this year our own fund balance which the General Assembly has mandated us to use to replace a one-time reduction in State funding. However, we recognize that we live in a State with a rapidly growing population, meaning that the demands on that State funding are also increasing. This makes our obligation to manage State funding so it is available for those people without other resources even more important.

It has come to our attention that although this policy is not new, it may not have been consistently applied in all provider agencies. To permit those agencies that may not be in compliance with this policy time to work with third party payors and transition consumers they may be serving with State funds to services that the individuals' third party resources will cover, we have determined that effective March 1, 2016, individuals with third party insurance (private insurance, Medicare, TRICARE, NC Health Choice, etc.) will not be eligible for any state funded Mental Health/Substance Use (MH/SU) services. Only individuals who do not have other insurance for behavioral health services may receive State funded behavioral health services. Please note that State funds are not an entitlement. In addition, anyone receiving State funded services should be assisted with completing a Medicaid application and pursuing those benefits.]

All MH/SU Treatment Authorization Requests (TARs) for individuals with third party insurance will be denied as "unable to process". Routine monitoring or a compliance review of a provider may reveal claims made against State funds for individuals who have third party insurance for services with no prior authorization requirements. If

discovered, these claims may result in sanctions against the provider, including recoupment.

Please note that since there are not third party funders of habilitation services, this communication does not affect ANY state-funded Intellectual/Developmental Disability (I/DD) services.

Questions regarding this Clinical Communication Bulletin may be sent to: UM@trilliumnc.org all questions will be responded to in a FAQ document that will be posted monthly on the Trillium website.