



FINANCE
245 LEPHILLIP COURT, NE
CONCORD, NC 28025

PBH Finance Communication Bulletin

FY-0809-FN-26

To: PBH Provider Network
From: PBH Finance
Date: November 15, 2008
RE: State Budget Reductions effective November 15, 2008

Dear Provider:

On October 30, 2008, Dan Coughlin received a notification from Leza Wainwright, DMH Director, that PBH has received a budget reduction of \$807,177 in state funds. This is equivalent to a 3% reduction in state community services funding. Statewide the reduction in community services amounted to \$10,522,912. This budget reduction applies to this current fiscal year ending June 30, 2009.

Many of you may know that last year PBH had a service budget reduction of approximately \$3.6 million dollars. When this reduction was made, PBH offset this reduction by canceling expansion of some planned programs. No other budget reductions were made to community services at that time.

The combination of both budget reductions has required us to make the following changes effective November 15, 2008:

- *Case Support* will be eliminated except for shadow billing for those contracts that have Case Support included in a sub-capitation payment.
- *Community Support Team*:
 - No new State-funded consumers will be added to Community Support Teams;
 - No new authorizations for existing consumers. Those State-funded consumers being served by Community Support Teams will be referred to other services (ACTT or Community Support) before their current authorization expire.
- *MST*: No new State-funded consumers
- *IHS*: No new State-funded consumers
- *Day Treatment*:
 - No new State-funded consumers;
 - No new authorizations for existing State-funded consumers.
- *Personal Assistance*:
 - No new consumers
 - PBH Utilization Management will review usage for possible reduction in authorizations
- *Home/Community Supports and Day Supports*: No new consumers
- *Hourly Respite*: PBH Utilization Management is monitoring utilization
- Contract reviews will be conducted for the following services to set contract limits on services:

- *Developmental Day*
- *Psychiatric Administration*
- *PSR*

We will review the impact of these changes again in January 2009 to determine if these measures are working to maintain our state service cost within our budgetary limits. We may be required to maintain or modify these changes or make additional changes based on our service utilization trends at that time.

We have postponed implementing these changes until now. It is our hope that some of these reductions will be reinstated as the state's economic situation improves.

cc: Network Department
PBH Claims Staff
Emma Moore
David Jones
Kevin Davidson
Chris Jacobson
Lisa Hathcock, Executive Assistant to the Area Director