BlueCross BlueShield of North Carolina | Healthy Blue Care Together

North Carolina Utilization Management Guideline for Medicaid

Subject: ILOS – Rapid Response Homes
Status: Active

Current Effective Date: 02/10/2026
Last Review Date: 02/10/2026

Description

Rapid Response Home is a crisis service focused on person-centered, resilience, and recovery-oriented care to support individuals and families in maintaining stability and continuing their recovery journey through personalized planning and service delivery. The service adheres to Healthy Blue Care Together's clinical guidelines, integrating best practices and therapeutic foster care models. The service philosophy aligns with the System of Care/Wraparound model, evident in all documentation, and is implemented in a licensed therapeutic foster family setting in North Carolina. Restrictions apply to ensure appropriate placements, particularly regarding sibling placements, homes with biological children, and children with problematic sexual behaviors.

Providers must be licensed under specific regulations, maintain designated homes for Rapid Response only, and ensure a suitably skilled and diverse pool of parents. These homes must accommodate high-needs youth and have at least two years of relevant experience, with exceptions approved by Healthy Blue Care Together. Provider staff assist in arranging ongoing services and ensure a structured environment with qualified, always-available therapeutic parents. Each supervising provider staff (QP) can oversee a maximum of six homes in total, with stipulations on the mix of treatment levels. Clinical oversight involves licensed professionals like therapists, social workers, or counselors, who ensure assessments, interventions, and necessary therapies, including family therapy, are seamlessly integrated into the care provided around the clock.

Clinical Indications

- **Eligibility Criteria**:
    - The youth is medically stable but may need short-term assistance to adhere to medical treatment, defined as potential refusal of non-critical medication and non-threatening disruptive behavior. Those requiring 24-hour monitoring are not eligible for Rapid Response and should be referred to a higher level of care AND
    - A physical exam must be completed within the past year, or within 14 days if not already done AND
    - The beneficiary may experience:

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- Difficulty in family or lower treatment settings due to:
  - Frequent conflicts,
  - Limited acceptance of rules,
  - Challenges engaging with support services, increasing crisis service use risk.

- Frequent verbal or moderate occasional physical aggression toward property or others, with:
  - Difficulty maintaining appropriate behavior in community settings,
  - Challenges accepting age-appropriate supervision.

- There is an immediate need for structured treatment and stress reduction to prevent higher-level care or hospital visits.
- A face-to-face clinical assessment by a licensed clinician is required before admission to ensure this level of care is appropriate for the youth.

Utilization Management:

- There is no prior authorization (PA) required for the first 7 days per episode.
- An authorization request must be submitted if placement is needed beyond 7 days.
- Extension beyond 7 days requires submission of CCA, Crisis Plan, and a documented transition plan.

Targeted Length of Service: 7-14 consecutive days with a maximum of 21 days; any recurring crisis event would trigger a clinical team review to determine the repeated need for this service.

If an imminent transition is scheduled to the appropriate service level and cannot be completed in the 21-day timeframe, an authorization request may be submitted, but must have a specific plan and documentation regarding discharge efforts in order to be authorized beyond 21 days.

- **Population**: Services are intended for children and youth ages 5-20 experiencing behavioral health crises and possessing Medicaid coverage, excluding those eligible for the NC

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Innovations Waiver.

- **Crisis Characteristics:** Youth are presenting in crisis, however, do not meet the imminent danger to self or others threshold and can be diverted short term while a sound long term plan is formulated and executed. Crisis is characterized as serious conflict in current environment, adding to emotional dysregulation, requiring removal to allow de-escalation and reevaluation/assessment and further development of the crisis plan as needed. Youth experiencing serious conflict, emotional dysregulation, and requiring short-term stabilization, without requiring 24-hour active monitoring.

- **Treatment Focus**: Emphasizes a person-centered, resiliency, and recovery-focused philosophy.

- **Interventions**:
    - Provides intensive supervision and daily structure.
    - Offers psychoeducation regarding diagnoses and treatment.
    - Delivers individualized interventions targeting behavioral triggers.
    - Facilitates connection to community resources and support systems.

Program Requirements

Rapid Response Homes are licensed therapeutic foster care facilities in North Carolina that provide emergency treatment, structure, stabilization, and supervision for children and youth experiencing behavioral health crises with Medicaid. The service aims to support family stability, prevent abuse and neglect, and minimize the need for out-of-home placements through short-term treatment. Key activities include:

- Intensive, individualized supervision and daily structure to reduce disruptive behaviors and restore previous functioning levels.
- Psychoeducation for beneficiaries, families, and caregivers about conditions and treatment.
- Tailored interventions focusing on crisis triggers, anger management, social skills, communication, stress management, and relationships, excluding physical restraints.
- No provision for room and board.
- Linkage to community services, educational and vocational programs, and physical

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health providers.

- Support for involvement in community support systems and personal development.
- 24/7 availability of provider agency staff and therapeutic parents for immediate response and placement.
- Ongoing emergency and crisis support for therapeutic parents to prevent burnout.
- Continuous clinical assessment and consultation availability by licensed clinical staff.
- The Rapid Response Provider acts as the First Responder when youth are in a Rapid Response home.

STAFFING:

This treatment may be provided in a North Carolina licensed therapeutic foster family setting with one or two surrogate family members providing services to no more than one consumer per home. Given the high-risk nature of some consumers accessing Rapid Response every attempt should be made to have a diverse pool of parents available including one stay at home parent, single occupancy homes, etc. Identified homes shall be a Rapid Response Only designated home. The designated home shall have a separate bedroom for Rapid Response youth, not shared space with any other individual person. Therapeutic Foster Homes identified for Rapid Response shall not provide Family Foster Care while serving as a Rapid Response provider.

Provider staff supervising Rapid Response homes will assist HBCT in arranging appropriate ongoing services such as mental health services, substance use treatment, other specialized assessments, and medical services.

Treatment is provided in a structured setting with qualified and trained provider staff support and therapeutic parents who are present and/or available at all times of the day. A minimum of one provider staff (QP) is required to supervise no more than six total homes at all times, regardless of home level of treatment. If the provider QP is supervising IAFT or E-TFC homes, they may supervise no more than a maximum of 2 Rapid Response homes that count toward the total number of homes. The QP has a minimum two years of experience working directly with youth and families.

The provider agency shall have licensed clinical staff to provide clinical assessment prior to the

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service if not completed by referring provider prior to service entry. Licensed clinical staff also oversee all clinical interventions, provide outpatient therapy (inclusive of family therapy) as needed, and consultation 24 hours per day. Licensed clinical staff are North Carolina Licensed Marriage and Family Therapist, Licensed Clinical Social Worker, or Licensed Clinical Mental Health Counselor. Associate licenses may be utilized with two years of experience with the population.

The licensed clinician shall provide a minimum of one-hour weekly supervision with the qualified professionals (QPs), for adequate support and guidance. The weekly supervision shall be documented.

Agency shall have a North Carolina Licensed Psychiatrist available for medical and psychiatric oversight and consultation. The Licensed Psychiatrist will provide psychiatric evaluation as needed.

The provider agency must follow minimum requirements in 131D and 122C rules, including:

- Skills and competencies of this service provider must be at a level that offers psycho-educational and relational support, behavioral modeling of interventions, and supervision.
- These preplanned, structured interventions occur as required and outlined in the consumer's service plan.

Coding			
Procedure Code	**Service Description**	**Rate**	**Billing Frequency**
S5145 U5	Rapid Response Homes	Per Diem	Daily

Discussion/General Information

Anticipated Outcomes

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Home Stability:
It is expected that youth served will return to their natural family setting, with a goal of increasing the percent of youth returning home over time. If alternate placement is needed, then the least restrictive most appropriate level will be chosen. CFT's should plan around crisis, transition or residential placement. Barriers to returning to original setting shall be documented and an action plan shall be created to address the barriers.

- At least 50% of youth served shall be diverted from out-of-home placement after receiving the service.
- If a return home is not the CFT recommendation,100% of youth will be connected with the identified appropriate level of care.

Decreased hospital admissions:
- Monitor the % of youth who are diverted from crisis or inpatient services due to entering the Rapid Response beds, with a goal of increasing the percent over time (FY 25-26 will serve as baseline).

Response to placement requests will be handled in a prompt manner:
- 100% of requests for the service by local crisis or inpatient services are answered within one (1) hour of request;

- 90% of requests for the service by other entities (Care Coordination, other providers) are answered within one (1) hour;
- 80% of youth meeting criteria for service are placed in Rapid Response home within 12 hours of the initial request.

Reason the service is needed/Gap service intends to fill:
Crisis services for children and adolescents have been identified as a significant need in our Gaps and Needs assessment. The plan is to use Rapid Response Homes to prevent ED visits, reduce inpatient stays and the need for higher levels of care for children and adolescents in crisis. The desired outcomes are to divert children/adolescents from other crisis services and out of home placements.

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How is the service different than any State Plan Service? Rapid Response Homes will not only serve to diffuse crises, it will also serve as a time to complete a more comprehensive assessment, and/or specialized assessments, completed by either the pre-existing treating clinical staff, and/or the provider agency licensed clinical staff, or arranged by the provider agency staff. This is in addition to, or an evolution of, the assessment and initial crisis plan completed prior to placement. The result of the assessment will be to identify the appropriate level of care and treatment plan that will prevent future crises, including a thorough review of the crisis plan and safety plan as applicable with revisions as needed occurring throughout the Rapid Response course of treatment. A Child and Family Team meeting shall occur within seven (7) days of admission. This helps promote rapid treatment planning and quicker transition to other services.

Description of Monitoring Activities: Healthy Blue Care Together will review claims monthly to monitor patterns and trends in utilization of this service. Healthy Blue Care Together will monitor service utilization through prior authorizations after first ten-day period, utilization management, and post payment reviews. In addition, Healthy Blue Care Together will maintain a real-time dashboard to monitor placements. The Healthy Blue Care Together will measure outcomes minimally through an initial crisis assessment (risk assessment that includes health and safety), ASAM Levels (for individuals with substance use disorders), and CANS (for 3-6 year old).

Definitions

In Lieu of Services (ILOS): Services or settings that are not covered under the North Carolina Medicaid State Plan but are a medically appropriate, cost-effective alternative to a State Plan covered service.

Acronyms

ILOS: In Lieu of Service
CANS-EC: Child and Adolescent Needs and Strengths-Early Childhood
ASAM: American Society of Addiction Medicine Levels of Care
CANS: Child and Adolescent Needs and Strengths

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References

Government Agency, Medical Society, and Other Authoritative Publications:

Centers for Medicare & Medicaid Services. (n.d.). *In Lieu of Services and Settings (ILOS).* Federal guidance pursuant to 42 C.F.R. § 438.3(e)(2) and 42 C.F.R. § 438.6.NC

NC Medicaid/DHHS Clinical Coverage Policy 8D-2 — Residential Treatment Services (Amended Jan 1, 2025).

NC Division of Mental Health, Developmental Disabilities and Substance Abuse Services (DMH/DD/SAS), the requirements of 10A N.C.A.C 27G and NC G.S. 122C

DMH/DD/SAS Records Management and Documentation Manual 45-2 (RMDM) Items 1 through 12, under Contents of a Service Note, Chapter 7 of the RMDM.

Exception to Policy Limitations for a Medicaid Beneficiary under 21 Years of Age 42 U.S.C. § 1396d(r) [1905(r) of the Social Security Act].

Websites for Additional Information

NC Tracks Provider Claims and Billing Assistance Guide:
nctracks.nc.gov/content/public/providers/provider-manuals.html

Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) provider page:
ncdhhs.gov/dma/epsdt

History

Status	Date	Action

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