



North Carolina Department of Health and Human Services
Division of Medical Assistance

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Beverly Eaves Perdue, Governor
Albert A. Delia, Acting Secretary

Craig L. Gray, MD, MBA, JD, Director

MEMORANDUM

To: CAP/DA Lead Agencies

Through: WRenia Bratts-Brown, CAP/DA Manager

From: Joseph M. Breen, M.S., Chief
Division of Medical Assistance-Home and Community Care Section

Date: June 08, 2012

Subject: Prior Approval Denials and Level of Care Reductions

The CAP/DA unit has implemented a new procedure of managing denied and reduced FL-2s evaluated by Hewlett-Packard (HP) for prior approval. This new procedure is being implemented as a result of the **new State mandated Due Process and Prior Approval Policies.**

Effective June 11, 2012, HP will forward directly to the CAP/DA Lead Agency all prior approved FL-2s that are denied for any reason. Likewise, when HP finds that an FL-2 does not meet the skilled level of care (LOC) but does meet intermediate level of care and the LOC is reduced, the CAP/DA Lead Agency will receive the reduced LOC FL-2 directly. The Department of Social Services' Medicaid unit will no longer receive a denied or reduced pink copy of the FL-2. Each denied or reduced FL-2 will go directly to the CAP/DA Lead Agency for immediate follow through. Included in the notice of decision on prior approval forwarded by HP are the instructions directing the recipient of their rights to appeal, the timeline to appeal, and the contact entity to initiate the appeal. To assist with appropriate case coordination and service provision of these two occurrences, a separate instructional guide titled "FL-2 Approval Denial and Reduction in Level of Care" is provided.

To ensure accurate dispatch of these FL-2s to the CAP/DA Lead Agency from HP, the completion of box 6 is required and must contain the CAP/DA Lead Agency's complete name and the mailing address. During occurrences when box 6 is not completed as directed above, HP will send any denied or reduced FL-2 back to that recipient's county DSS.

If there are any questions please contact your CAP/DA Consultant.

cc: CAP/DA Consultants
enclosures: Recipient and Provider Services
Hewlett-Packard, Enterprises

