
Managed Care Organizations for Behavioral Health

MA-2290 Managed Care Organizations for Behavioral Health

ISSUED 10/01/12 – CHANGE NO. 09-12

I. BACKGROUND

In 2005, the State of North Carolina received approval from the Centers for Medicare and Medicaid Services (CMS) to operate a capitated waiver program which includes all Medicaid Mental Health, Developmental Disabilities, and Substance Abuse Services (MH/DD/SA) in a five-county area. These counties were: Cabarrus, Davidson, Rowan, Stanly and Union counties. Piedmont Cardinal Health Plan (PCHP), also known as Piedmont Behavioral Healthcare, operated the waiver program.

Due to the success of the waiver in managing services while, at the same time assuring access to services, quality outcomes, and cost effectiveness, the General Assembly and the Department of Health and Human Services (DHHS) has expanded the waiver statewide. Medicaid-funded mental health, substance abuse, and intellectual/developmental disability services (MH/SA/IDD) are administered by one of eleven Local Management Entities (LME) operating Medicaid Managed Care organizations (MCO) as DMA vendors.

This also includes intermediate care facilities for the Mentally Retarded (ICF-MR), Psychiatric Residential Treatment Facility (PRTF), services provided under the 1915 (c) Waiver and Inpatient Psychiatric Care.

II. POLICY PRINCIPLES

A. LOCAL MANAGEMENT ENTITY-MANAGED CARE ORGANIZATION (LME-MCO).

LME-MCO under the 1915 (b/c) Waiver is expanded State wide. Medicaid beneficiaries in need of behavioral health services will receive these services through the LME-MCO entity.

B. INNOVATIONS

Innovations are self-directed; the consumer has more control in hiring and supervising his/her individual care providers.

Innovations services are identified in EIS as “IN” on the case data screen.

Managed Care Organizations for Behavioral Health (MCO)

ISSUED 10/01/12 – CHANGE NO. 09-12

(II.)

C. Enrollment is mandatory and automated in EIS.

Beneficiaries must access all mental health, developmental disability, PRTF, inpatient psychiatric care, ICF-MR, substance abuse services and Innovations from their LME-MCO.

D. A Medicaid applicant/beneficiary (A/B) who decides not to receive his mental health services through LME-MCO will be responsible for payment of those services received.

E. Charges incurred by the A/B are allowable expenses to be applied to a Medicaid deductible only if the A/B sees a LME-MCO provider. Charges incurred from a non-LME-MCO provider will not be applied to the Medicaid deductible due to non compliance with the policy.

F. Participation in LME-MCO is for the ongoing month only. The ongoing month is defined as the EIS current processing month.

Retroactive participation is an allowable benefit only with the Innovation program services.

G. The Medicaid cards for new beneficiaries and the annual card for current beneficiaries includes the name and telephone number of the LME-MCO.

H. a “P” indicator on the Individual Medicaid segment (IE) in EIS is used to identify the LME-MCO member.

I. Some individuals enrolled in Innovations will have a monthly deductible to meet. Any charge the enrollee incurs due to not seeing a LME-MCO provider can not be applied to the Innovations deductible.

Follow procedures in MA-2280, Community Alternatives Program (CAP) for procedures. See EIS procedures for CAP codes.

Managed Care Organizations for Behavioral Health (MCO)

ISSUED 10/01/12 – CHANGE NO. 09-12

(II.I.)

J. The LME-MCO completes the prior approval for ICF-MR and Innovations cases

Any beneficiary requesting ICF-MR or Innovations services should be directed to call the Local Management Entity. The LME-MCO will complete the prior approval and arrange these services for eligible beneficiaries.

Do not deny an application without calling the LME-MCO to verify the status of the level of care (LOC) determination for Innovations or ICF-MR services.

Follow procedures in MA-2270, Long Term Care Need and Budgeting, for budgeting ICF-MR cases.

III. Affected populations

A. Include the following individuals

Include individuals in authorized status (all living arrangements) in the following aid program/categories. See III.B. below for exceptions.

1. AAF (all payment types)
2. MAA
3. MAD
4. MAF, including Breast and Cervical Cancer Medicaid
5. MIC-N
6. IAS
7. HSF
8. SAA
9. SAD
10. MPW
11. MAB
12. MSB

Managed Care Organizations for Behavioral Health (MCO)

ISSUED 10/01/12 – CHANGE NO. 09-12

(III.A.)

B. Exclude the following individuals

1. Individuals in deductible status.
2. Individuals receiving NCHC (MIC-A, J, K, L, or S).
3. Individuals receiving MQB-B, E, or Q
4. Individuals receiving MAF-D
5. Individuals receiving refugee assistance (MRF and RRF).
6. Individuals ages 0 through the month of the third birthday, except for those participating in the Innovations program.

Example: Third birthday is in February. Child is identified as PCHP effective March

7. Non-qualified aliens or qualified aliens during the five (5) year disqualification period (any aid program/category) with Medicaid classification F, H, O, R, G, I, P.

IV. EIS AND POLICY PROCEDURES

A “P” indicator and a LME-MCO provider number in a segment on the IE screen identifies the individual as a LME-MCO member for those months. The [DMA-5011](#), Managed Care Organization (MCO) Health Plan Welcome Letter is sent to the case head informing him that mental health services are provided through LME-MCO.

A. Update to EIS

EIS automatically adds the “P” indicator to the IE of all Medicaid beneficiaries

B. Application Approvals

1. Automatically adds the “P” indicator to the IE segment for each individual on the case.
2. Generates a [DMA-5011](#) Managed Care Organization (MCO) Health Plan Welcome Letter to the case head informing him that mental health services are provided through the LME-MCO. The letter includes a statement that a child under age 3 receiving Medicaid in the case is not included as a LME-MCO enrollee.

Managed Care Organizations for Behavioral Health (MCO)

ISSUED 10/01/12 – CHANGE NO. 09-12

(IV)

C. Medicaid Beneficiaries

1. Beneficiaries can call their LME directly to request mental health, developmental disability and substance abuse services. LME-MCO will arrange services for the beneficiary.
2. The “P” indicator on the Medicaid card will alert beneficiaries and providers that they are enrolled with LME-MCO.

D. County Transfers

1. When a Medicaid beneficiary transfers from one LME-MCO county to another LME-MCO county, EIS automatically adds the P indicator to the IE segment for the ongoing month.
2. When a Medicaid beneficiary transfers out of affected population aid program category/classifications, EIS will automatically delete the “P” indicator from the IE segment for the ongoing month.
3. When an eligible Medicaid beneficiary notifies you he is transferring from a LME-MCO to a non-LME-MCO county, or non-LME-MCO to a LME-MCO county, complete a county reassignment.
4. For a transfer from a LME-MCO to a non-LME-MCO county EIS:
 - a. Will generate a [DMA-5012](#), Managed Care Organization (MCO) Health Plan Transfer Letter, to the case head informing behavior health services will need approval from the LME-MCO during the transition period. The A/B must contact the LME-MCO to arrange for his mental health services received during the transition period.
 - b. The “P” indicator is automatically deleted from the IE segment for the month the county transfer is effective in EIS. The beneficiary may then go to a non-LME-MCO provider that accepts Medicaid.
5. For a transfer from a non-LME-MCO county to a LME-MCO county, EIS:
 - a. Will generate a [DMA-5011](#) Managed Care Organization (MCO) Health Plan Welcome Letter to the case head informing him that mental health services are provided through an LME-MCO.

Managed Care Organizations for Behavioral Health (MCO)

ISSUED 10/01/12 – CHANGE NO. 09-12

(IV.D.5)

- b. Will automatically add the “P” indicator to the IE segment for each individual on the case who is a LME-MCO enrollee effective the month of the county transfer.

E. Out of County Placement/Foster Care/Adoption

Individuals that are placed out of the county of residence for residential care, adult care home, long term care, foster care, or adoption assistance are still considered to be part of their LME-MCO.

EIS still shows one of the LME-MCO counties as the county of residence. The services provided under the waivers must be coordinated through the LME-MCO.

F. Deductible Status Cases

1. Beneficiaries in deductible status are excluded until the deductible is met and the county authorizes the case for the ongoing month.
2. For Innovations participants, the deductible is calculated and met monthly. However, once the deductible is met the LME-MCO pays for the services included in the Plan of Care.
3. If the deductible is met and the individual is authorized for the ongoing month:
 - a. EIS adds the “P” indicator to the IE segment effective the ongoing month in EIS,
 - b. Generates a [DMA-5011](#) Managed Care Organization (MCO) Health Plan Welcome Letter to the case head informing him of how to access Mental Health, Developmental Disabilities, and Substance Abuse Services (MH/DD/SA) services.
4. Medicaid pays for fee-for-service to the provider for an authorized beneficiary until the “P” indicator takes effect in EIS.

Managed Care Organizations for Behavioral Health (MCO)

ISSUED 10/01/12 – CHANGE NO. 09-12

(IV.F.)

G. North Carolina Health Choice (NCHC)

NCHC is excluded from the LME-MCO waiver. If an NCHC case transfers to Medicaid, the case will be LME-MCO effective the ongoing Medicaid month and a [DMA-5011](#), Managed Care Organization (MCO) Health Plan Welcome Letter will be mailed to the case head informing him how to access Mental Health, Developmental Disabilities, and Substance Abuse Services (MH/DD/SA) services.

H. SSI Medicaid Cases

If the Medicaid case is in the incorrect county of residence because the SDX shows the wrong county:

1. Follow procedures in [MA-1100](#), SSI Medicaid – County DSS Responsibility and notify the Social Security Administration (SSA) with a [DMA-5049i](#), Referral to Local Social Security Office, with the correct county indicated.
2. Once the SSA completes their process, this corrects the county in EIS.

When the county number is corrected in EIS, EIS:

- a. Adds the “P” indicator to the IE for the ongoing month for a beneficiary in the LME-MCO county and sends the case head the [DMA-5011](#), or
 - b. Deletes the “P” indicator for the ongoing month if the county number in EIS is no longer a LME-MCO county, or
 - c. Retains the P indicator if the county number in EIS was a LME-MCO county and is now a different LME-MCO county.
3. The beneficiary can see any provider that accepts Medicaid until SSA corrects the error and it is reflected on the Medicaid card.

I. Medicaid Cards

The Medicaid card contains the name and telephone number of the LME-MCO, based on county of residence.

Managed Care Organizations for Behavioral Health (MCO)

ISSUED 10/01/12 – CHANGE NO. 09-12

(IV.I)

J. Appeals and Hearings

1. All requests for an appeal related to services with the LME-MCO will start with the LME-MCO. Instruct the beneficiary to contact his/her assigned LME-MCO.
2. For appeal requests related to eligibility issues, follow procedures in MA-2420, Notice and Hearings Process.

V. NOTICE PROCEDURES

The [DMA-5011](#) notice informs Medicaid beneficiaries that mental health services are provided through LME-MCO. The letter includes a statement that a child under age 3 receiving Medicaid in the case is not included as a LME-MCO enrollee.

EIS sends the [DMA-5011](#), Managed Care Organization (MCO) Health Plan Welcome Letter to the case head, including SSI beneficiaries. EIS adds the “P” indicator to the IE for an individual on the case. This occurs:

1. At application approval,
2. Program transfer from an excluded aid program category to an included aid program category,
3. Medicaid Classification change to an included aid program category, and
4. County transfers from non-LME-MCO county to a LME-MCO county.

There is a report in NCXPTR (DHRWDB PIEDMONT HEALTH PLAN NOTICES) listing the cases sent the [DMA- 5011](#).

VI. PRIOR APPROVAL AND REVIEW PROCESS

A. Medicaid beneficiaries requesting Innovation Services

Each LME-MCO uses the Level of Care (LOC) Determination form instead of the MR-2.

1. Individuals requesting Innovations or ICF-MR services, including those who do not yet have the “P” indicator on the IE segment, should be referred to the LME-MCO to arrange services and for prior approval.

The county DSS can assist individuals who are unable to arrange for services.

Managed Care Organizations for Behavioral Health (MCO)

ISSUED 10/01/12 – CHANGE NO. 10-12

(VI.A)

2. LME-MCO makes the determination as to whether the individual meets the level of care requirements for ICF-MR and provides DSS with a copy of the approved or denied Level of Care (LOC) form. If approved, the LME-MCO also sends a DMA-5011A and assigns a prior approval number.

B. Annual Review

The LME-MCO initiates and verifies continuing eligibility for ICF-MR Level of Care and provides DSS with:

1. A Plan Approval Letter and an Individual Budget, OR
2. Notice of Innovations termination.

This process is the same for beneficiaries who currently have an approved MR/2 from the Medicaid claims contractor.

VII. COUNTY RESPONSIBILITIES

A. Applications

1. At application the worker must explain to the applicant that if he needs any mental health services, the LME-MCO must provide these services.

The state will mail a letter ([DMA-5011](#)) to him upon approval of his application as to how to request mental health services and the importance of only contacting their LME-MCO for those types of services.

2. Follow procedures in [MA-2270](#), Long Term Care Need and Budgeting for ICF-MR and Innovations cases.
3. EIS continues to send the [DMA-5016](#), Notification of Eligibility for Medicaid/Amount and Effective Date of Patient's Liability to the facilities. The facilities will share the [DMA-5016](#) with the LME-MCO. ISSUED 10/01/12 – CHANGE NO. 09-12

(VII.A.)

4. Level of care (LOC) form approved by the LME-MCO must be in the record before a Medicaid application can be approved for Innovations services or ICF-MR services.
5. Medicaid workers need to be familiar with the LME-MCO addresses and contact numbers.

Managed Care Organizations for Behavioral Health (MCO)

ISSUED 10/01/12 – CHANGE NO. 10-12

B. Redeterminations

At redetermination the worker will remind the beneficiary to contact the LME-MCO if he needs any mental health services and the importance of only contacting the LME-MCO for services.

VIII. BENEFICIARY CONTACT INFORMATION FOR THE LOCAL MANAGEMENT ENTITY-MANAGED CARE ORGANIZATIONS (LME-MCO).

See links below for LME-MCO contact information or visit DMA Website.

[Managed Care Organizations \(MCO\) – current contacts.](#)

[LME-MCO contact map – as of January 2013.](#)