
Managed Care Organizations for Behavioral Health (MCO)

MA-3262 Managed Care Organizations for Behavioral Health

ISSUED 09/01/12 – CHANGE NO. 10 - 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), Community Alternatives Program for the Mentally Retarded - Developmentally Disabled (CAP/MR-DD), 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 recipients in need of behavioral health services will receive these services through the LME-MCO entity.

B. INNOVATIONS

Innovations (formerly CAP/MR-DD) 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.

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(II.)

C. Enrollment is mandatory and automated in EIS.

Recipients 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/recipient (a/r) 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/r are allowable expenses to be applied to a Medicaid deductible only if the a/r sees a LME-MCO provider. Charges incurred from a non-MCO provider will not be applied to the Medicaid deductible due to non compliance with the policy.

F. Participation in 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 recipients and the annual card for current recipients 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.

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(II.I.)

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

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

Do not deny an application without calling the LMEMCO 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

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(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 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 MCO.

A. Update to EIS

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

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 MCO. The letter includes a statement that a child under age 3 receiving Medicaid in the case is not included as a MCO enrollee.

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(IV)

C. Medicaid Recipients

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

D. County Transfers

1. When a Medicaid recipient transfers from one MCO county to another MCO county, EIS automatically adds the P indicator to the IE segment for the ongoing month.
2. When a Medicaid recipient 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 recipient notifies you he is transferring from a MCO to a non-MCO county, or non-MCO to a MCO county, complete a county reassignment.
4. For a transfer from a MCO to a non-MCO county EIS:
 - a. Will generate a DMA-5012, Managed Care Organization (MCO) Health Plan Transfer Letter, to the case head informing him of their new county LME-MCO. The A/R 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 recipient may then go to a non-MCO provider that accepts Medicaid.
5. For a transfer from a non-MCO county to a 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.

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(IV.D.5)

- b. Will automatically add the “P” indicator to the IE segment for each individual on the case who is a 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, long term care, foster care, or adoption assistance are still considered to be part of their MCO.

EIS still shows one of the 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. Recipients 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 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 until the “P” indicator takes effect in EIS.

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(I.V.F.)

G. North Carolina Health Choice (NCHC)

NCHC is an excluded program unless the NCHC case transfers to Medicaid. Once the transfer is effective in a MCO county, the case will be MCO effective the ongoing 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-5049, 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 recipient in the 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 MCO county, or
 - c. Retains the P indicator if the county number in EIS was a MCO county and is now a different MCO county.
3. The recipient 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 MCO, based on county of residence.

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(IV.I)

J. Appeals and Hearings

1. All requests for an appeal related to services with the LME-MCO will start with the MCO. Instruct the recipient to contact his/her assigned 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 recipients 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 recipients. 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.

(V.)

VI. PRIOR APPROVAL FOR ICF-MR AND INNOVATIONS (FORMERLY CAP/MR-DD)

A. Existing Medicaid recipients who currently have an approved MR/2 from the Medicaid claims contractor

During the recipient's first continuing need review (CNR), the LME-MCO initiates the level of care determination using their Level of Care (LOC) form, and furnishes the county with a copy once approved.

B. Medicaid applicants/recipients (a/r) requesting Innovations Services

Each LME-MCO uses their LOC form instead of the existing MR-2.

1. Individuals requesting Innovations or ICF-MR services, including those who do 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.

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 form (LOC). If approved, LME-MCO assigns a prior approval number

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 (XXXX) 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 MCO.

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(VII.A)

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

B. Redeterminations

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

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

See links below for MCO contact information or visit DMA Website; for county staff, quick link.

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

[MCO contact map – as of January 2012.](#)