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MEMORANDUM

To: Legislative Oversight Committee Members
Commission for MH/DD/SAS
Consumer/Family Advisory Committee Chairs
State Consumer Family Advisory Committee Chairs
Advocacy Organizations and Groups
North Carolina Association of County Commissioners
County Managers
County Board Chairs
North Carolina Council of Community Programs
State Facility Directors
Area Program Directors
Area Program Board Chairs
DHHS Division Directors
Provider Organizations
MH/DD/SAS Professional Organizations and Groups
MH/DD/SAS Stakeholder Organizations and Groups
Other MH/DD/SAS Stakeholders

From: L. Allen Dobson, Jr., M.D.

Mike Moseley

Date: June 1, 2006

Re: Transition Timelines and Updates Regarding Medicaid Utilization Review

Implementation Timeline

On April 6th, DHHS Secretary Carmen Hooker Odom announced that effective June 1, 2006 ValueOptions (VO) had been selected to provide utilization review for all North Carolina Medicaid covered mental health, developmental disabilities, substance abuse services. The Department offered five (5) training sessions during May on the utilization review process during which timelines, medical necessity and workflow were discussed. The following table shows the transition timelines. Providers must obtain service authorizations from ValueOptions in accordance with the following schedule:

Effective Date	Recipients Affected
June 1, 2006	Medicaid eligible children with mental health or substance abuse services needs who are: 1) new to the public system; or 2) currently in services and requesting a different service (including all new requests for children's residential treatment services); or 3) requesting services under the Early Periodic, Screening, Diagnosis and Treatment (EPSDT) provisions of the Medicaid Act
July 1, 2006	Medicaid-eligible adults with mental health or substance abuse services needs who are new to the public system.
July 15, 2006	All services for Medicaid eligible children with mental health and substance abuse services needs, including any services that may have been previously authorized by a Local Management Entity
August 15, 2006	All services for Medicaid eligible adults with mental health and substance abuse services needs, including any services that may have been previously authorized by a Local Management Entity
September 1, 2006	All Medicaid covered services for developmentally disabled children and adults, including services provided under the CAP-MR/DD Waiver. (Additional information regarding this transition will be disseminated prior to the implementation date).

VO will authorize all mental health and substance abuse services for **all** Medicaid recipients throughout the state **except** for those Medicaid recipients whose eligibility is established in one of the five counties in the Piedmont catchment area (Cabarrus, Davidson, Rowan, Stanly, and Union Counties) or in Durham County. Piedmont operates under a separate Medicaid waiver which grants them the authority to perform this function for the duration of their waiver. Durham will also continue to authorize Medicaid services, excluding inpatient hospital, EPSDT, PRTF until further notice.

To avoid lapses in coverage during the transition period, in February we asked LMEs to work with providers to authorize services to current recipients for up to six (6) months. The transition timeline is based upon those directions. If a provider is currently serving a consumer whose service authorization expires earlier than the dates noted above, the provider should contact the LME to ensure that they have authorizations for dates of service that provide for appropriate authorizations beyond July 15 (for children) or August 15 (for adults) so that there may be a seamless transition to ValueOptions.

We are aware that LMEs and providers need timely notification of the authorizations made by ValueOptions and we are working out the details of the required notifications and the best methods for distributing materials. We will send you additional information on this topic in the near future.

Please note, this guidance and these timelines pertain to authorization for mh/dd/sa services to be funded by Medicaid only. State funded services will continue to be authorized by each LME.

Special Guidance for Small Residential Facilities

One-, two-, and three-bed residential facilities at Levels II and III are included in this transition plan. Currently, these licensed facilities are not enrolled with DMA. Prior authorization must be obtained from VO in accordance with the above schedule. Since the LME will continue to bill through this transition period, the authorization will come to the LME. The LME will forward the authorization to the individual provider. At that point these residential providers become directly enrolled with Medicaid, the authorization will be sent directly to the provider. The transition dates for therapeutic foster care will be discussed in a later memo as will directions for enrollment.

Federal Certificates of Need (CON) for PRTF Services

In the past, the LME had the responsibility of obtaining the Certificate of Need (CON) the admission of a child to a Psychiatric Residential Therapeutic Facility (PRTF). This responsibility now lies with the Community Support provider serving as the child's clinical home. DMA and DMH/DD/SAS are requesting that LMEs ensure that providers are aware of the CON process and understand the significance of a valid CON prior to the admission to a PRTF. We will work with the PRTF providers to ensure that they also are making sure that all required documentation is completed prior to admission. This is a federal requirement and payment is dependent on the proper and upfront completion of the CON. The CON cannot be completed retroactively and cannot be completed by the PRTF provider.

Early Periodic Screening, Diagnosis, and Treatment (EPSDT)

As noted in the schedule above, effective June 1, 2006, all Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) requests for children receiving mh/dd/sa services will be sent to ValueOptions. ValueOptions will be responsible for screening the requests, determining the nature of the service requested, and forwarding to the appropriate DMA section for processing if the request does not relate to a mh/dd/sa service. This will provide for a single point of contact for families, providers and other agencies regarding the submission of EPSDT requests for children being served. The Division of Medical Assistance has posted policy instructions pertaining to EPSDT online at http://www.dhhs.state.nc.us/dma/prov.htm.

In our April 17th memo to the LME Directors, we requested the submission of existing EPSDT requests as a follow up to the Feb 28th notice memo. It is important that the services authorized and requested as a result of the notice memo continue pending the VO/DMA review. Authorizations for services should have been extended pending the review.

We are planning to conduct EPSDT training in the near future and will issue an instructional/observational memo regarding EPSDT. In the interim, it is important that when submitting requests, the requestor submit as much supporting information as possible. This will assist with the decision making process, including reducing the time for review caused by requests for additional information. Families and consumers have the right to request services pursuant to EPSDT that current clinical staff may not support. These requests, along with any clinical documentation that the family/consumer may provide, should be forwarded to VO for review.

This includes cases involving DD or CAP-MR/DD. Refusal to process a valid request is viewed as a denial and thus the family/consumer are entitled to their due process rights. DMA continues to be responsible for all EPSDT reviews, denials or approvals. This responsibility has not been delegated to a local management entity.

cc: Secretary Carmen Hooker Odom
Allyn Guffey
Dan Stewart
DMA Leadership
DMH/DD/SAS Executive Leadership Team