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**LME-MCO Communication Bulletin #J324**

Date: May 2, 2019

To: Local Management Entities-Managed Care Organizations (LME-MCOs)

From: Deb Goda, Behavioral Health Unit Manager, NC Medicaid  
Kathy Nichols, Assistant Director of Services and Supports, DMH/DD/SAS

Subject: Requests for Continuation of Benefits

The purpose of this bulletin is to clarify the responsibility of LME-MCOs regarding Requests for Continuation of Benefits.

When a beneficiary requests continuation of benefits in accordance with 42 CFR 438.420(b) and receives those benefits while the appeal or state fair hearing is pending, LME-MCOs are legally required to pay for the continuation of services until a final determination has been made as outlined in 42 CFR 438.420(c).

- There are no circumstances under which the LME-MCO may refuse to pay for services provided while the appeal or state fair hearing is pending if the beneficiary was provided continuation of benefits in accordance with [42 CFR 438.420](#).
- As stated in 42 CFR 438.420(d), the LME-MCO may recover the cost of services furnished if the final resolution of the appeal or state fair hearing is adverse to the beneficiary, however this recovery option does not alleviate the legal requirement that the LME-MCO pays for services provided as part of the continuation of benefits.

If you have any questions, please contact Deb Goda at 919-527-7640 or e-mail [Deborah.Goda@dhhs.nc.gov](mailto:Deborah.Goda@dhhs.nc.gov).

Previous bulletins can be accessed at <http://www.ncdhhs.gov/divisions/mhddsas/joint-communication-bulletins>

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