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LME-MCO Joint Communication Bulletin # J385

Date: December 30, 2020

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

From: Deb Goda, Behavioral Health Unit Manager, NC Medicaid
Renee Rader, Assistant Director for Policy and Programs, DMH/DD/SAS

Subject: Capitation Payment Discrepancy Reporting Process Changes

NC Medicaid is transitioning to a new reporting process for capitation payment discrepancies identified by LME-MCOs effective February 2021. This bulletin contains additional information on the changes for LME-MCOs.

As part of the transition, LME-MCOs will **continue to:**

- Receive capitation payments using the contracted capitation rates and payment schedule;
- Reconcile the Global Eligibility File (GEF) with the ASC X12 820 Payment Order/Remittance Advice File each month;
- Communicate any member-specific data through secure email.

As of Feb. 22, 2021, beginning with the reconciliation of the February 2021 capitation payment, LME-MCOs must **start to:**

- Receive and store the global eligibility file daily. As a part of this revised process, LME-MCOs will begin to receive the GEF from NC Medicaid seven days a week. Currently, it's received GEF five days a week.
- Report capitation reconciliation discrepancy details OR confirmation that no discrepancies were identified using PRV029-J Capitation Reconciliation Report each month within 45 days of payment date. This is a new report that is designed to assist all Health Plans with the reconciliation of their Capitation Payments. The report will be sent through secure email to each Plan;
- Report capitation reconciliation discrepancy summaries as incidents in ServiceNow;

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AN EQUAL OPPORTUNITY / AFFIRMATIVE ACTION EMPLOYER

- Attend a weekly LME-MCO Tech Operations meeting as needed to discuss capitation discrepancies and resolution plans. This will not supplant any other capitation-related meetings.

As of Feb. 22, 2021, LME-MCOs must **stop**:

- Reporting capitation payment discrepancies in LME-MCO specific format;
- Reporting capitation payment discrepancies more than 45 days after the capitation payment date.

Changes will also be made to Medicaid's communications for retroactive adjustments to capitation payments. You will receive communication from Medicaid staff in the following formats:

- Retroactive adjustments with less than \$100,000 impact to LME-MCOs will be communicated as an email notification indicating the date the adjustment will occur and that the impact is under \$100,000.
- Retroactive adjustments with an impact to LME-MCOs between \$100,000 and \$1 million will be communicated as an email notification indicating the date the adjustment will occur and the specific impact to the LME-MCO.
- Retroactive adjustments with an impact to LME-MCOs over \$1 million will be communicated to the LME-MCO through a Joint Communication Bulletin and the specific impact to the LME-MCO will be sent by email.

In the Spring of 2021, capitation payment reconciliation discrepancies and adjustment communication email correspondence will transition to a secure file transfer system. An additional Joint Communication Bulletin will be shared prior to the transition to provide more detail. Medicaid will host an overview of the capitation payment discrepancy reporting process changes and address questions on Jan. 8, 2021. A ServiceNow demonstration will be provided on Feb. 11, 2021. Additional details and instructions are included in this bulletin and will be reviewed in the December overview session or the February ServiceNow demonstration.

LME-MCOs will receive five items with this bulletin:

- An invitation for the Jan 8, 2021 Capitation Payment Discrepancy Reporting Process Change Overview meeting;
- 2021 capitation payment schedule including the deadline for the PRV029-J Capitation Reconciliation Report;
- PRV029-J Capitation Reconciliation Report template and instructions;
- An invitation for ServiceNow demonstration on Feb. 11, 2021;
- An invitation for the recurring weekly LME-MCO Tech Operations meeting

If you have any questions, please email Adolph Simmons, Managed Care Team Manager, at adolph.simmons@dhhs.nc.gov.

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

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