

# **DMA ADMINISTRATIVE LETTER NO: 07-05, PIEDMONT CARDINAL HEALTH PLAN (PCHP)**

**DATE:** February 23, 2005

**SUBJECT:** Piedmont Cardinal Health Plan

**DISTRIBUTION:** County Directors of Social Services  
Medicaid/NC Health Choice,  
Work First,  
Special Assistance  
Food Stamp Supervisors and Caseworkers  
Medicaid Program Representatives  
Adult Program Representatives  
Work First Representatives

## **I. INTRODUCTION**

The State of North Carolina has 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 are: Cabarrus, Davidson, Rowan, Stanly and Union counties.

Piedmont Cardinal Health Plan (PCHP), also known as Piedmont Behavioral Healthcare, is the public MH/DD/SAS local management entity (LME) that will operate the capitated waiver program. PCHP will enroll with DMA as a prepaid health plan and DMA will pay PCHP a flat amount monthly for each Medicaid recipient in the five counties. In turn, PCHP will be responsible for providing and paying for all MH/DD/SA services for these Medicaid recipients who live in one of the five counties.

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.

One of PCHP's primary goals is to deinstitutionalize or divert people from going into an institution and provide their mental health services in a community-based environment if feasible and desired by the individual.

PCHP also hopes to be able to serve more Medicaid recipients at no additional cost through increased local control of MH/DD/SA services and funding.

The capitated waivers that have been approved are:

**A. Section 1915 (b) Capitated Waiver Program for Mental Health, Substance Abuse Services, PRTF, Inpatient Psychiatric Care, and ICF/MR.**

1. Private Living Arrangement (PLA)

This includes recipients living at home who require mental health services age 3 or older.

2. Intermediate Care Facility for Persons with Mental Retardation (ICF-MR).

This includes recipients who are mentally retarded or developmentally disabled and require care as an inpatient in a nursing facility setting.

3. Psychiatric Residential Treatment Facility (PRTF) and Inpatient Acute Psychiatric Care is also a covered benefit under this waiver.

**B. The 1915 (b/c) waiver will take the place of CAP/MR-DD, now referred to as “Innovations” in the geographic area described above.**

This includes recipients who can safely remain at home with care providers. If a recipient is currently receiving CAP-MR/DD services he will continue to receive these services through Innovations.

Innovations are self-directed; the consumer has more control in hiring and supervising his/her individual care providers. This will apply to persons of any age. CAP codes will remain the same.

**II. POLICY PRINCIPLES**

A. Enrollment is mandatory and automated in EIS for the affected populations who receive Medicaid living in the five county region.

Recipients must access all mental health, developmental disability, PRTF, inpatient psychiatric care, ICF-MR, substance abuse services and Innovations (formerly the CAP/MR-DD program) from Piedmont (PCHP).

B. A PCHP Medicaid applicant/recipient (a/r) who decides not to receive his mental health services through PCHP will be responsible for payment of those services received.

- C. Charges incurred by the a/r on or after April 1, 2005, are allowable expenses to be applied to a Medicaid deductible only if the a/r sees a PCHP provider. Charges incurred from a non-PCHP provider will not be applied to the Medicaid deductible due to non compliance with the policy.

Charges incurred prior to April 1, 2005, can be applied to the ongoing deductible. Apply the old bill policy to these charges.

- D. Participation in PCHP 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.

- E. An identifying factor “\*=PCHP” will be on the Medicaid card to indicate to providers that these individuals are enrolled in PCHP. There will be an (\*) asterisk beside each participant’s name on the Medicaid card to identify him as a PCHP member.

In addition there will be a “P” indicator on the Individual Medicaid segment (IE) in EIS to identify the PCHP member. This is a new field that will be added to the IE segment.

- F. The existing CAP-MR/DD program in the five counties will now be referred to as Innovations. The individual services are very similar to the CAP-MR/DD program which continues in the other 95 counties.

1. Some individuals enrolled in the Innovations program will have a monthly deductible to meet. Any charge the enrollee incurs due to not seeing a PCHP provider can not be applied to the Innovations deductible.
2. Follow procedures in MA-2280, Community Alternatives Program (CAP) for budgeting procedures. See EIS procedures for CAP codes.

- G. PCHP will do all the prior approvals for ICF-MR and Innovations cases.

Any recipient who is a resident of the 5 county region requesting ICF-MR or Innovation services should be directed to call PCHP at 1-800-939-5911. PCHP will complete the prior approval and arrange these services for eligible recipients.

Do not deny an application without calling PCHP at 1-704-721-7000 to verify The status of the Piedmont level of care (LOC) determination for Innovations or ICF-MR services.

- H. 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 residing in the 5 county region 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

#### **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 refugee assistance (MRF and RRF).
5. Individuals ages 0 through the month of the third birthday, except for those participating in the Innovations (formerly the CAP-MR/DD) program.

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

6. 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 new field has been added to EIS on the Individual Eligibility (IE) screen. A "P" indicator in a segment on the IE screen identifies the individual as a PCHP member for those months. The PCHP-1 notice (see figure 1) is sent to the casehead informing him that mental health services are provided through PCHP.

##### **A. Mass Update to EIS**

On the night of March 15, 2005, (the night prior to SSI Medicaid regular run), EIS automatically adds the P indicator to the IE of all Medicaid recipients who are a PCHP participant in the 5 county area.

The indicator is being added to EIS prior to April 1, 2005, in order for the April Medicaid cards to contain the Piedmont information.

##### **B. Application Approvals**

Beginning March 16, 2005, EIS:

1. Automatically adds the P indicator to the IE segment for each individual on the case who is a PCHP enrollee.
2. Generates a PCHP-1 notice (see figure 1) to the casehead informing him that mental health services are provided through PCHP. The letter includes a statement that a child under age 3 receiving Medicaid in the case is not included as a PCHP enrollee.

##### **C. Medicaid Classification Changes and Aid Program Category Transfers**

When a Medicaid recipient transfers to one of the affected population aid program categories/classifications, EIS automatically adds the P indicator to the IE segment for the ongoing month.

When a Medicaid recipient transfers out of an affected population aid program category/classification, EIS automatically deletes the P indicator from the IE segment for the ongoing month.

#### **D. Medicaid Recipients**

1. Recipients can call PCHP customer service line directly at 1-800-939-5911 to request mental health, developmental disability and substance abuse services. PCHP will arrange for these services for the recipient.
2. The \*PCHP indicator on the Medicaid card will alert recipients and providers that they are enrolled with PCHP.

#### **E. County Transfers**

1. When an eligible Medicaid recipient notifies you he is transferring from a Piedmont to a non-Piedmont county, or non-Piedmont to a Piedmont county, complete a county reassignment.
2. For a transfer from a Piedmont to a non-Piedmont county EIS:
  - a. Will generate a PCHP-2 notice (see figure 2) to the casehead alerting him that during the county transfer, recipients continue to be PCHP enrollees. The a/r must contact PCHP 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-PCHP provider that accepts Medicaid.
3. For a transfer from a non-Piedmont county to a Piedmont county, EIS:
  - a. Will generate a PCHP-1 notice to the casehead informing him that mental health services are provided through PCHP. The letter includes a statement that a child under age 3 receiving Medicaid in the case is not included as a PCHP enrollee.
  - b. Will automatically add the P indicator to the IE segment for each individual on the case who is a PCHP enrollee effective the month of the county transfer.

#### **F. 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 PCHP.

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

### **G. 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 PCHP 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 notice (PCHP-1) to the casehead informing him of how to access PCHP services.
4. Medicaid pays for fee-for-service to the provider until the "P" indicator takes effect in EIS.

### **H. North Carolina Health Choice (NCHC)**

NCHC is an excluded program unless the NCHC case transfers to Medicaid. Once the transfer is effective in a PCHP county, the case will be PCHP effective the ongoing month and a notice (PCHP-1) will be mailed to the casehead informing him how to access PCHP services.

### **I. 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 5 county PCHP area and sends the casehead the PCHP-1 letter, or
- b. Deletes the P indicator for the ongoing month if the county number in EIS is no longer a PCHP county, or

- c. Retains the P indicator if the county number in EIS was a PCHP county and is now a different PCHP county.
3. The recipient can see any provider that accepts Medicaid until SSA corrects the error and it is reflected on the Medicaid card.

#### **J. Medicaid Cards**

1. The Medicaid card contains “\*=PCHP” and an asterisk (\*) beside each participant’s name to indicate to providers that the individual is enrolled in PCHP.
2. Authorized Innovations participants continue to have the CAP code of CM displayed on their Medicaid card.
3. Recipients participating in the Innovations program that meet a deductible do not have the “P” indicator on their card because they are not authorized for the ongoing month in EIS.

Once the deductible is met, PCHP pays for the services included in the Plan of Care.

4. An individual who is a PCHP enrollee and is authorized in the Innovations program for the ongoing month has an (\*) asterisk and the CAP code CM on his Medicaid card.

#### **K. Appeals and Hearings**

1. All requests for an appeal related to services with PCHP will first start with PCHP. Contact PCHP at 1-800-939-5911 to initiate the request for the a/r.
2. For appeal requests related to eligibility issues, still follow procedures in MA-2420, Notice and Hearings Process.

### **V. NOTICE PROCEDURES**

#### **A. PCHP-1 Notice (See Figure 1 attached)**

The PCHP-1 notice informs Medicaid recipients that mental health services are provided through PCHP. The letter includes a statement that a child under age 3 receiving Medicaid in the case is not included as a PCHP enrollee.

EIS sends the PCHP-1 notice to the casehead, including SSI recipients living in the five county region served by PCHP when 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 to a Piedmont county.

There is a report in NCXPTR (DHRWDB PIEDMONT HEALTH PLAN NOTICES) listing the cases sent the PCHP-1 notice.

**B. PCHP-2 Notice (See Figure 2 attached)**

For county transfers from a Piedmont county to a non-Piedmont county, EIS sends a PCHP-2 notice to the casehead alerting him that during the county transfer, recipients continue to be PCHP enrollees. The recipient must contact PCHP to arrange for his mental health services during the transition period.

There is a report in NCXPTR (DHRWDB PIEDMONT COUNTY TRANSFER NOTICES) listing the cases sent the PCHP-2 notice.

The case information appears under the new county on the report.

Caseheads may receive more than one notification at different times if the PCHP indicator is deleted and later added.

**C. No notice is mailed when:**

1. An indicator is deleted,
2. The indicator is added through the corrections program by the DMA Claims Analysis Unit,
3. There is a one person case and the only recipient is under age 3.
4. An individual is added on to a case that already contains other PCHP enrollees.
5. When a child turns age 3 and he is on an existing case that already includes Piedmont enrollees.

**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), PCHP initiates the level of care determination using their own Piedmont LOC form (see figure 3), and furnishes the county with a copy once approved.

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

PCHP uses the Piedmont Level of Care LOC form instead of the existing 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 PCHP to arrange services and for prior approval.

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

2. PCHP 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, PCHP 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, PCHP must provide these services.

The state will mail a letter (PCHP-1) to him upon approval of his application as to how to request mental health services and the importance of only contacting PCHP 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 PCHP.
4. A Piedmont level of care (LOC) form approved by PCHP must have to be in the record before a Medicaid application can be approved for Innovation services or ICF-MR services.
5. Medicaid workers need to be familiar with the PCHP address and contact number.

### **B. Redeterminations**

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

**VIII. CONTACT INFORMATION FOR PCHP**

PCHP enrollees and applicants can call PCHP customer service directly at 1-800-939-5911 for any questions regarding PCHP or to request mental health services. Counties can reach the PCHP administrative offices at 1-704-721-7000.

The mailing address for prior approval is:

Piedmont Behavioral Healthcare  
528 Lake Concord Road  
Concord, North Carolina 28025

Please address questions concerning this letter to your Medicaid Program Representative.

Mark Benton  
Interim Director

(This material was researched and written by Renee Carlton-Pettiford, Policy Consultant, Medicaid Eligibility Unit).