

## **Section 1. Who's Who**

### **What Is Medicaid?**

Title XIX of the Social Security Act (Medicaid) is a medical assistance program administered in North Carolina by the Division of Medical Assistance (DMA). Medicaid is a health insurance program that services low-income individuals, families, children, seniors, and people with disabilities that cannot afford health care costs.

Eligible recipients receive medical care from providers enrolled in the program, who then bill Medicaid for services. Updated coverage information and changes are issued in monthly Medicaid bulletins and through provider visits and seminars. Medical coverage information and Medicaid bulletins are available on DMA's website at <http://www.ncdhhs.gov/dma/provider/>.

### **What Is NC Health Choice?**

Title XXI of the Social Security Act provides funds to states to enable them to initiate and expand the provision of child health assistance to uninsured, low-income children (42 U.S.C. 1397a). The North Carolina General Assembly established the North Carolina Health Choice for Children Program (State Children's Health Insurance Program) in 1998. The Health Choice Program serves children ages 6 through 18 (until the last day of the month in which they turn 19) years of age. Children living in families with income too high to qualify for Medicaid may qualify for Health Choice if their family income is from 101% to 200% of the Federal Poverty Level and they meet all other eligibility requirements.

Health Choice is funded with Federal Title XXI funds, State funds appropriated by the General Assembly, and any other non-appropriated funds that are made available to the Program. Unlike Medicaid, the NC Health Choice for Children Program (hereafter referred to as Health Choice) is not an entitlement program, and as a result may experience funding and enrollment limits. See Section 12 for additional information on the NC Health Choice Program.

### **Centers for Medicare and Medicaid Services**

The Centers for Medicare and Medicaid Services (CMS) is the federal agency that regulates and oversees all state Medicaid programs. CMS is responsible for enforcing the administrative simplification provisions of the Health Insurance Portability and Accountability Act of 1996 (HIPAA), including national standards for electronic health care transactions, code sets, and National Provider Identifiers. In addition, CMS is responsible for developing the National Correct Coding Initiative (NCCI), a program designed to prevent improper payments when a provider submits incorrect procedure code combinations or to avoid payments of units of service that are medically unlikely to be correct.

### **Department of Health and Human Services**

The N.C. Department of Health and Human Services (DHHS) oversees the administration of numerous health care programs in the State of North Carolina, including Medicaid. The Department is divided into 30 divisions and offices. DHHS divisions and offices fall under four broad service areas: health, human services, administrative, and support functions. DHHS is the largest agency in state government, responsible for helping poor North Carolinians achieve economic independence, while ensuring the health, safety, and well being of all North Carolinians, providing the human service needs for fragile populations like people who are mentally ill, deaf, blind and developmentally disabled.

## **Division of Medical Assistance**

The mission of the Division of Medical Assistance (DMA) is to provide access to high-quality, medically necessary health care for eligible North Carolina residents through cost-effective purchasing of health care services and products. DMA administers the N.C. Medicaid Program by:

- Interpreting federal laws and regulations as they relate to the Medicaid program
- Overseeing regulatory affairs (Medicaid State Plan and N.C. Administrative Code)
- Providing outreach and education to providers and recipients
- Establishing, publishing and monitoring clinical policy
- Establishing all fees and rates
- Establishing and overseeing provider enrollment and termination requirements
- Maintaining third-party insurance files and conducting recipient financial recovery activities
- Maintaining the Eligibility Information System (EIS)
- Administering Medicaid managed care programs
- Publishing Medicaid bulletins and other communication tools
- Monitoring program fraud, waste, and abuse

## **County Departments of Social Services**

Each county department of social services (DSS) is responsible for

- Determining recipient eligibility for Medicaid
- Enrolling recipients in managed care programs
- Maintaining all recipient eligibility files
- Providing adult care home (ACH) enhanced care prior approval and case management services

## **Division of Medical Assistance: Organization Roles**

DMA is the state agency responsible for the administration of the N.C. Medicaid program. DMA is organized into various administrative sections with responsibilities as outlined below.

### **Recipient and Provider Services**

The Recipient and Provider Services section is responsible for establishing recipient eligibility policy and maintaining the Eligibility Information System. DMA field staff provides management consultation and technical assistance to county DSS staff and are responsible for training DSS staff on eligibility and EIS issues. This section is also responsible for provider enrollment and termination policy, claims analysis, time limit overrides, and provider education. The Provider Services unit works closely with CSC and HP Enterprise Services (HPES) to provide customer service support and to monitor activities such as provider enrollment, seminar planning, provider visits, and Medicaid bulletins.

## **Community Care of North Carolina/Carolina ACCESS**

Within Recipient and Provider Services, the Managed Care section is responsible for the administration of the Community Care of North Carolina/Carolina ACCESS (CCNC/CA) program and ACCESS II/III.

**Refer to Section 5, Managed Care Provider Information and Section 12, NC Health Choice,** for additional information about managed care programs and providers.

This activity includes:

- Developing and implementing managed care policy for CCNC/CA
- Recruiting and educating providers to participate as primary care providers (PCPs)
- Furnishing technical assistance to providers and the community
- Developing ACCESS II/III in conjunction with the Office of Rural Health and Community Care
- Monitoring contractual compliance
- Staffing the Customer Service unit

## **Clinical Policy and Programs**

The Clinical Policy and Programs section is responsible for the overall administration of programs and clinical services covered by the N.C. Medicaid and N.C. Health Choice programs. The Clinical Policy and Programs section establishes policies and procedures for the provision of all Medicaid and NC Health Choice-covered services and provides prior approvals for some Medicaid and NC Health Choice procedures and services.

## **Behavioral Health Unit**

The Behavioral Healthcare Services Unit within Clinical Policy is responsible for program and policy development and management in the behavioral health (mental health, developmental disabilities and substance abuse) service areas that include Medicaid funded psychiatric hospitals, psychiatric units in general hospitals, private providers of community based behavioral health services, residential treatment services for children and adolescents, intermediate care facilities for the mentally retarded, Community Alternatives Program for persons with Mental Retardation or Developmental Disabilities (CAP-I DD) waiver services. This unit is responsible for the development and implementation of the expansion of the 1915 b/c Waiver. The waiver will provide transition of the behavioral health services fee- for- service system into managed care plans across the state. These plans are being modeled on the Piedmont Behavioral Health plan, described in the Managed Care Unit responsibilities section, and include developing, updating and revising Medicaid policy that governs the conditions under which Mental Health Developmental Disabilities and Substance Abuse (MH/DD/SA) services are provided. The Behavioral Health Unit also supervises prior approval activities performed by Medicaid utilization review organizations, oversight for the CAP/I-DD waiver and development of new waiver(s), and oversight of Medicaid services provided in CDSAs.

## **Policy Development and Special Projects**

The Policy Development and Special Projects unit is responsible for:

- Facilitating rule-making activities and Medicaid State Plan amendments for clinical policy
- Reviewing and updating clinical coverage policies based on changes in medical and dental practice and literature
- Evaluating policies for efficacy, fiscal impact, utilization, and population analysis
- Monitoring, analyzing, and evaluating Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) policy and the day-to-day operations associated with the EPSDT program; including claims adjudications and stakeholder education (NC Health Choice benefits exclude EPSDT).
- Monitoring, analyzing, and evaluating due process policy and the day-to-day operations associated with the due process program, including stakeholder education
- Ensuring that clinical coverage policies are developed in compliance with GS 108A-54.2 and 108-A-54.3, including:
  - Obtaining the advice of the N.C. Physician Advisory Group
  - Following a prescribed process for seeking provider and public comment on proposed policies.

## **Practitioner, Clinical, and Facilities Services Unit**

The Practitioner, Clinical, and Facilities Services unit is responsible for the clinical policies and protocols related to service areas that include, but may not be limited to, physicians, chiropractors, nurse practitioners, nurse midwives, podiatrists, ambulatory surgery centers, rural health clinics, federally qualified health centers, health departments, hospitals, nursing facilities, certified registered nurse anesthetists, anesthesia services, laboratory and radiology services, ambulance, outpatient hospital services, end-stage renal disease services, transplant services, out-of-state hospital emergency visits, obstetrical services hysterectomies, sterilizations, and abortions. The unit assures that services are provided in accordance with medical standards of care, federal and State laws, regulations, and rules established by a wide variety of professional boards governing the provision of medical and health-related services. The unit performs prior approvals/denials of services, oversees the management of the services, performs utilization management, quality assurance and high-dollar claims reviews. They also ensure that policies are based on the latest standards of care.

## **Pharmacy and Ancillary Unit**

The Pharmacy and Ancillary unit is responsible for the following:

- Ensuring compliance with the Outpatient Pharmacy Program by developing clinical coverage policies according to national or evidence-based standards
- Ensuring compliance with the durable medical equipment (DME) and orthotics and prosthetics (O&P) policies, hearing aid services policy, optical services policies, the local education agency policy, the physician drug program policy, the independent practitioner policy, and the outpatient specialized therapies policy
- Routinely reviewing and updating clinical coverage policies based on changes in clinical practice and literature
- Evaluating policies for efficacy, fiscal impact, utilization, and population analysis

## **Quality, Evaluation, and Health Outcomes**

The Quality, Evaluation, and Health Outcomes Unit (QEHO) systematically identify opportunities for strategic improvement in Medicaid program operations. The QEHO unit monitors the performance and effectiveness of Medicaid and NC Health Choice programs and analyzes information to identify patterns of utilization, trends in performance, and opportunities for improvement in delivering care to the populations served by Medicaid and NC Health Choice in North Carolina.

## **Finance Management**

This section is comprised of the Rate Setting, Hospital Reimbursement, and Audit units. Activities and responsibilities are as follows.

### **Rate Setting**

The Rate Setting unit is responsible for establishing and maintaining reimbursement policy and payment rates for all Medicaid providers and payment programs (with the exception of hospital providers) and calculating the fiscal impact of proposed and approved rate changes.

### **Hospital Reimbursement**

The Hospital Reimbursement unit is responsible for establishing and maintaining reimbursement policy and inpatient/outpatient payment rates to hospital providers, as well as for administering the Disproportionate Share Hospital (DSH) payment program.

### **Audit**

The Audit unit is responsible for settling costs and auditing cost reports from various provider types and organizations, including long-term care, hospital, federally qualified health clinics, rural health centers, and local health departments.

### **Budget Management**

The objectives of the Budget Management section are to accurately project category-of-service expenditures by category of eligibility, changes in eligibility, and the rate of consumption of units of services. Because the DMA budget is the largest budget in DHHS, it has high visibility in the Department as well as throughout the whole state. A 1% error in projections regarding the total budgeted requirements could create an impact of up to \$103 million. This section responds to and prepares all fiscal analysis requested by the General Assembly when considering reduction or expansion options for the biennial budget. This section has responsibility for documenting the Medicaid forecasting model, performing trend analysis on key factors driving the Medicaid budget, researching and developing data to support decision-making on budget assumptions, and producing multi-year forecasts.

Much of the business of the Medicaid and N.C. Health Choice for Children programs is conducted through contractual agreements, including multiple contracts with the same provider. Total contract expenditures are expected to reach \$60 million this year. Budget Management is responsible for ensuring that adequate and reasonable payments are made to medical enrolled providers on behalf of the Medicaid- and NC Health Choice eligible clients. This section forecasts the budgetary requirements of the program to ensure that federal, State, and County funds are available to support program payments; maximizes the use of revenues; and approves all financial policies. All contracts and agreements with outside vendors are developed, approved, maintained, and monitored by this section.

The Budget Management section works closely with the fiscal intermediary to resolve provider and payment issues. This section creates the annual checkwrite schedule in conjunction with the DHHS Controller's Office and the fiscal agent. They also correspond with providers who have questions about or issues with payments.

This section ensures that all general accounting functions are maintained. Besides vendor payments for general operating expenses, this includes accurate financial analysis and reporting as set by generally accepted accounting principles, the State Auditor, and comprehensive annual financial reporting guidelines established by the State of North Carolina.

## **Program Integrity**

It is the mission of Program Integrity to ensure compliance, efficiency, and accountability within the N.C. Medicaid Program by detecting and preventing fraud, waste, program abuse, and by ensuring that Medicaid dollars are paid appropriately by implementing tort recoveries, pursuing recoupments, and identifying avenues for cost avoidance.

## **Guiding Principles**

Program Integrity, through teamwork with our DMA partners,

1. Strives to operate the most cost efficient health care system possible while further enhancing the quality and appropriateness of services delivered.
2. Requires and supports efforts where our health care providers are able to identify and resolve issues themselves.
3. Holds provider agencies accountable for failing to have systems in place to prevent improper billing.
4. Increases the usage of the administrative tools of payment suspension, prepayment review, audit, sanction, and individual and entity exclusion when improper payments are discovered.
5. Develops and communicates consistent measures of effectiveness of program integrity, which capture cost reduction and avoidance, as well as recoveries, and minimize cost imposed by reviews and investigation.
6. Recognizes areas of vulnerabilities that adversely affect program integrity.

While Program Integrity identifies Medicaid fraud, the Attorney General's Medicaid Investigations Unit (MIU) takes the legal action to convict a provider of criminal fraud. The MIU coordinates their efforts with the IRS, State Bureau of Investigation, FBI, Drug Enforcement Agency, U.S. Attorney, Office of Inspector General and the Medicaid Fraud Control Units in other states to resolve fraud cases. As a general rule, once a case is taken by the MIU, Program Integrity staff involvement with the provider ceases.

## **Information Technology and HIPAA**

The Information Technology and HIPAA section is responsible for overseeing the Decision Support Team (DRIVE), the Medicaid Management Information System (MMIS), and HIPAA.

## **Medicaid Contractors**

### **IBM**

IBM provides the Program Integrity Unit with two solutions for detecting Fraud, Waste and Abuse of Medicaid services in the Provider community.

#### **IBM Fraud & Abuse Management System (FAMS)**

IBM's fraud and abuse management system (FAMS) uses advanced analytics to detect healthcare fraud and abuse by healthcare providers. This is accomplished through the use of peer group modeling and behavioral analysis to identify possible Providers of interest.

#### **IBM Info sphere Identity Insight**

IBM Info sphere Identity Insight is a real-time entity resolution and analysis platform for identifying fraud. Its identity and relationship disambiguation technology helps Program Integrity and its partners recognize and mitigate the incidence of fraud, waste & abuse.

- Who is Who – Identity Resolution
- Who Knows Who – Relationship Resolution

#### **Public Consulting Group (PCG)**

**PCG** is the vendor contracted by DMA to support Program Integrity in the post-payment claims review initiatives; such as, determining if services billed were clinically and administratively appropriate according to generally accepted standards of care, NC Medicaid coverage policies, guidelines and procedures.

#### **Health Management System (HMS)**

HMS is the vendor contracted by DMA to support Program Integrity in the Third Party Liability Recoveries, Cost Avoidance and Credit Balance Review initiatives.

## **Ingenix – Health Spotlight, OmniAlert and DRIVE**

Health SpotLight and OmniAlert make up the NC Fraud and Abuse Detection System provided by Optum. Health SpotLight provides browse and search capabilities of paid and denied claims for the last 6 years as well as custom analytics to identify potential fraud and/or abuse by providers and recipients.

OmniAlert is the NC SUR application and allows the user to rank providers or recipients based upon a variety of user defined rules.

Optum staff provides support to the DMA business users for each of these tools. In addition, Optum staff provides data mining support to DMA staff to identify providers billing units that are more than 5 times the standard deviation for services.

DRIVE is the data warehouse maintained by Optum for DMA, and it contains 6 years of paid and denied claim data for the basis of the Health Spotlight and OmniAlert analytics. Parameterized queries are provided for staff to enter dates, billing provider numbers, attending provider number, provider types and specialties, etc., to identify potential abuse, fraud, or waste.

## **The Carolinas Center for Medical Excellence (CCME)**

CCME is the vendor contracted by DMA to support Program Integrity in the post payment Diagnosis Related Group (DRG) reviews of inpatient services to determine that appropriate DRG assignments have occurred and criteria for medical necessity of inpatient acute admissions have been met.

## **HP Enterprise Services**

HP Enterprise Services is the fiscal agent contracted by DMA to:

- Process claims for Medicaid enrolled providers according to DMA’s policies and guidelines
- Establish and maintain a presence with the Medicaid enrolled provider community through:
  - Provider seminars
  - On-site visits
  - Electronic commerce services
  - Customer support activities through the Provider Services Unit (1-800-688-6696 or 919-851-8888)

## **CSC**

CSC is the agent contracted by DMA to perform:

- Medicaid provider enrollment, verification, and credentialing (EVC) activities including online enrollment through the NCTracks website (<http://www.nctracks.nc.gov/index.html>)
- Customer support activities through the EVC Call Center (1-866-844-1113)
- Provider file maintenance

## **Behavioral Health Managed Care Organizations (MCO)**

Piedmont Behavioral Healthcare (PBH) has successfully operated as a managed care organization since 2005 for the delivery of mental health, developmental disabilities and substance abuse services. This responsibility includes:

- Authorizing behavioral health services for residents in the PBH catchment area
- Enrolling behavioral health providers in the PBH provider network
- Processing behavioral health claims submitted by PBH providers

DMA is expanding this management model in a phased-in statewide approach. The following Local Management Entities (LMEs) will transition to a MCO in the coming fiscal year (July 2011 through June 2012):

- Western Highlands Network;
- East Carolina Behavioral Health; and
- Expansion of the coverage area for PBH.

Current information about the MCO expansion and coverage areas is available at <http://www.ncdhhs.gov/dma/lme/MHWaiver.htm>.

## **Prodigy Diabetes Care, LLC**

Prodigy Diabetes Care, LLC, has been designated by DMA to be N.C. Medicaid's preferred manufacturer for glucose meters, diabetic test strips, control solutions, lancets, lancing devices, and syringes.

- Prodigy Diabetic Care, LLC, 1-866-540-4816

## **Magellan Medicaid Administration**

Magellan Medicaid Administration (formally known as First Health Services) has been contracted to assist with the Drug Utilization Review (DUR) program and to administer the Preferred Drug List supplemental rebate program through the National Medicaid Pooling Initiative (NMPI). The NMPI is a Medicaid-based, multi-state pooling program where the purchasing power of participating state Medicaid programs are pooled to obtain greater supplemental rebates from pharmaceutical manufacturers.

## Who's Who in Medicaid and NC Health Choice Prior Approval

### Carolinas Center for Medical Excellence (CCME)

The Carolinas Center for Medical Excellence (CCME) has been contracted by DMA to review prior authorizations, conduct post-payment validation review for outpatient specialized therapies (OST) and to be the independent assessment entity (IAE) to conduct In-Home Care assessments. These assessments include new referrals, continuation of service reviews, and change of status reviews.

CCME, 1-800-228-3365

- CCME OST Prior Authorization Website, <http://www.medicaidprograms.org/nc/therapyservices/>
- In-Home Care Independent Assessment Help Line, 1-800-228-3365
- In-Home Care Independent Assessment E-mail Address, [IHCAssessment@thecarolinascenter.org](mailto:IHCAssessment@thecarolinascenter.org)
- In-Home Care Independent Assessment Website, <http://www.qireport.net>

### MedSolutions

MedSolutions has been contracted by DMA to review prior authorizations for certain radiology procedures including CT, MR, PET scans, and ultrasounds.

- MedSolutions, 1-888-693-3211
- Fax Number, 1-888-693-3210
- MedSolutions Website, <http://www.medsolutionsonline.com/>

### ACS, a Xerox Company

ACS, a Xerox Company, has been contracted by DMA to manage the prior approval process for certain drugs prescribed to N.C. Medicaid and NC Health Choice recipients.

- ACS Clinical Call Center, 1-866-246-8505
- Fax Number, 1-866-246-8507
- ACS Enhanced Pharmacy Program Website, <http://www.ncmedicaidpbm.com/>

### HP Enterprise Services

HP Enterprise Services is the fiscal agent contracted by DMA to process claims and prior authorization requests for certain medical and surgical procedures according to DMA's policies and guidelines for enrolled Medicaid providers. In addition to processing claims and prior authorization requests, HP Enterprise Services will also process Preadmission Screening and Resident Reviews (PASRR) for individuals before admission to North Carolina's nursing facilities.

- HP Enterprise Services, 1-800-688-6696 or 919-851-8888
  - For Prior Approval, select option 2
  - For PASRR, select option 7
- NC PASRR Website, <http://www.ncmust.com/>

## **Behavioral Health Prior Approval**

DMA employs five different Utilization Review Vendors as well as a Behavioral Health Managed Care Organization, to provide prior approval for mental health, developmental disabilities and substance abuse services. With the expansion of Managed Care Organizations, the geographic coverage of these vendors will change over the course of this fiscal year. Please ensure accuracy when seeking prior approval by checking the following website for the most up to date information:

<http://www.ncdhhs.gov/dma/lme/MHWaiver.htm>.

## **Crossroads Behavioral Healthcare**

Crossroads Behavioral Healthcare is the local management entity (LME) responsible for utilization review of CAP/I-DD services for eligible recipients residing in these counties: Buncombe, Davie, Forsyth, Henderson, Iredell, Madison, Mitchell, Polk, Rockingham, Rutherford, Stokes, Surry, Transylvania, Yadkin, and Yancey.

- Crossroads Behavioral Healthcare, 336-835-1000
- General Fax Number, 336-835-1002
- Fax Number for CAP/MR-DD, 336-527-8027
- Crossroads Website, <http://www.crossroadsbhc.org>

## **The Durham Center**

The Durham Center is the LME responsible for initial and concurrent authorizations for behavioral health services and for utilization review of CAP/I-DD services for eligible recipients residing in the counties listed below.

Behavioral Health Services Catchment Area: Durham County

CAP/I-DD Catchment Area: Alamance, Anson, Caswell, Chatham, Durham, Franklin, Granville, Guilford, Halifax, Harnett, Hoke, Lee, Montgomery, Moore, Orange, Person, Randolph, Richmond, Vance, Wake, and Warren counties

- The Durham Center, 919-560-7100
- Fax Number, 919-560-7377
- Durham Provider Connect Website, <http://www.durhamcenter.org>

## **Eastpointe LME**

Eastpointe LME is the entity responsible for initial and concurrent authorizations for behavioral health services, including CAP/I-DD services, and for utilization review of CAP/I-DD services for eligible recipients residing in the counties listed below.

Behavioral Health Services Catchment Area: Duplin, Lenoir, Sampson, and Wayne counties.  
CAP/I-DD Catchment Area: Beaufort, Bertie, Bladen, Brunswick, Camden, Carteret, Chowan, Columbus, Craven, Cumberland, Currituck, Dare, Duplin, Edgecombe, Gates, Greene, Hertford, Hyde, Johnston, Jones, Lenoir, Martin, Nash, New Hanover, Northampton, Onslow, Pamlico, Pasquotank, Pender, Perquimans, Pitt, Robeson, Sampson, Scotland, Tyrrell, Washington, Wayne, and Wilson counties

- Eastpointe LME, 1-800-513-4002
- Fax Number for Behavioral Health, 910-298-7189
- Fax Number for CAP/MR-DD, 910-298-7184
- Eastpointe Provider Connect Website, <http://www.eastpointe.net>

### **Pathways LME**

Pathways LME is the entity responsible for utilization review of CAP/I-DD services for eligible recipients residing in these counties: Alexander, Alleghany, Ashe, Avery, Burke, Caldwell, Catawba, Cherokee, Clay, Cleveland, Gaston, Graham, Haywood, Jackson, Lincoln, Macon, McDowell, Mecklenburg, Swain, Watauga, and Wilkes.

- Pathways LME, 704-884-2501
- General Fax Number, 704-884-2413
- Fax Number for CAP/MR-DD, 1-855-728-4329
- Pathways Website, <http://www.pathwayslme.org>

### **ValueOptions, Inc.**

ValueOptions, Inc. has been contracted by DMA to provide utilization review of acute inpatient/substance abuse treatment hospital care, psychiatric residential treatment facilities (PRTFs), Levels II through IV residential treatment facilities, outpatient psychiatric, enhanced benefits, and Criterion 5 services. ValueOptions reviews and approves the requests based on medical necessity according to established criteria.

- ValueOptions, Inc., 1-888-510-1150
- Fax Numbers
  - For Mental Health/Substance Abuse Services, 1-877-339-8753
  - For Intellectual and Developmental Disability Services, 1-877-339-8754
  - For Inpatient Services and Psychiatric Residential Treatment Facility Services, 1-877-339-8760
  - For N.C. Health Choice, 1-877-339-8758
- ValueOptions Website, <http://www.valueoptions.com/>