



North Carolina Department of Health and Human Services

Pat McCrory
Governor

Aldona Z. Vos, M.D.
Ambassador (Ret.)
Secretary DHHS

Division of Mental Health, Developmental
Disabilities and Substance Abuse Services
3001 Mail Services Center
Raleigh, North Carolina 27699-3001
Tel 919-733-7011 Fax 919-508-0951
Courtney M. Cantrell, Ph.D.
Director

Division of Medical Assistance
2501 Mail Services Center
Raleigh, North Carolina 27699-2501
Tel 919-855-4100 Fax 919-733-6608
Dave Richard
Deputy Secretary of Medical Assistance

LME-MCO Communication Bulletin #J149

Date: July 21, 2015

To: LME-MCOs

From: Kathy Nichols, Lead Waiver Program Manager, Behavioral Health Section, DMA and Mabel McGlothlen, LME System Performance Team Leader, DMH/DD/SAS

Subject: Inpatient Prior Approvals

The purpose of this bulletin is to clarify the prior authorization requirement found in Clinical Coverage Policy (CCP) 8B, Inpatient Behavioral Health Services.

Per CCP 8B, Inpatient Behavioral Health Services, "Medicaid and NCHC shall require prior approval for Inpatient Behavioral Health Services. The provider shall obtain prior approval before rendering Inpatient Behavioral Health Services. Hospitals must contact DMA's utilization review contractor for authorization of services within 48 working hours of an emergency admission." Although Medicaid policy does not recommend an initial authorization pass through, LME-MCOs may allow a less stringent interpretation of Medicaid policy and could permit a pass through period and require prior authorization after that time. LME-MCOs are responsible for managing this service and thus must ensure that medical necessity is met upon each inpatient admission. This policy shall also apply to DMHDDSAS funded services except for the three way contracted inpatient services.

Prior authorization is not required for Medicare Behavioral Health Services rendered to Medicare/Medicaid dual eligible beneficiaries because Medicaid is the payer of last resort. However, if a beneficiary has exhausted their lifetime psychiatric inpatient Medicare benefit, then Medicaid becomes the primary payer and the beneficiary is subject to the requirements of CCP 8B, Inpatient Behavioral Health Services.

Please refer to Clinical Coverage Policy 8B, Inpatient Behavioral Health Services for further information about the service exclusions and limitations of this service.

If you have questions, please contact Kelsi Knick at kelsi.knick@dhhs.nc.gov.

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Cc: Dave Richard, DMA
Dale Armstrong, DHHS
DMA Leadership Team
DMH/DD/SAS Leadership Team
Mary Hooper, NCCCP