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### LME-MCO Communication Bulletin #165

Date: October 13, 2015

To: LME-MCOs

From: Kathy Nichols, Behavioral Health Program Manager, Behavioral Health Section, DMA and Mabel McGlothlen, IDD, TBI, and System Performance Section Chief, DMH/DD/SAS

Subject: Out-of-Network Provider Contract Requirements

This bulletin outlines recent session law that specifies when LME-MCOs are required to use out-of-network contracts with individual providers.

Session Law 2015-241 (2015 Appropriations Act), Section 12H.3 requires LME-MCOs to use out-of-network contracts with individual providers of behavioral health or intellectual/developmental disability services when:

- a. the provider is a Medicaid-enrolled provider and not excluded from participation in the program;
- b. an in-network provider cannot provide medically necessary services;
- c. the provider's service site is outside of the LME-MCO network's geographical catchment area and the LME-MCO is not accepting applications or the provider does not want to apply for membership in the closed LME-MCO network; and
- d. the provider is serving a maximum of two LME-MCO enrollees (the threshold is higher for out-of-network contracts with hospitals or health systems).

The Business Practices Standardization Committee is currently working on standardized contract language for use with out-of-network providers.

LME-MCOs are required to be in compliance by **Nov. 1, 2015**, the effective date of this legislation.

If you have questions, please contact Kathy Nichols at 919-855-4289 or [Katherine.nichols@dhhs.nc.gov](mailto:Katherine.nichols@dhhs.nc.gov).

*Previous bulletins can be accessed at: <http://jtcommunicationbulletins.ncdhhs.gov/>*

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