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To: LME-MCOs

From: Deb Goda, Behavioral Health Unit Manager, Division of Medical Assistance
Lisa Haire, Assistant Director, Quality Management and Operations, DMH/DD/SAS

Subject: Authorization Requests for Services When a Third-Party Payer is Primary

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

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

When Medicaid becomes the primary payer, a primary payer authorization denial /exhaustion of benefits letter is submitted with the Medicaid Service Authorization Request (SAR) / Treatment Authorization Request (TAR).

Please contact Deb Goda at deborah.goda@dhhs.nc.gov or 919-855-4297 if you have any questions

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

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