



North Carolina Department of Health and Human Services  
**Division of Medical Assistance**

2501 Mail Service Center • Raleigh, N. C. 27699-2501 • Tel 919-855-4100 • Fax 919-733-6608

Beverly Eaves Perdue, Governor  
Lanier M. Cansler, Secretary

Craig L. Gray, MD, MBA, JD, Director

November 30, 2011

Subject: Piedmont Behavioral Health Expansion

Dear County Director of Social Services:

The purpose of this letter is to inform the counties about the upcoming changes regarding the expansion of Managed Care Organization (MCO) for Behavioral Health. As MCOs continue to expand throughout the state, several significant changes will be implemented.

Effective January 1, 2012, Five County LME (consisting of Franklin, Vance, Granville, Warren, Halifax counties) and Western Highlands Network (consisting of Buncombe, Henderson, Madison, Mitchell, Polk, Rutherford, Transylvania, and Yancey counties) will be added as Managed Care Organizations. Welcome letters will be sent in early December to Medicaid recipients residing in these counties informing them of the change and the effective date.

As a reminder, CAP-MR/DD is known as Innovations (IN) for MCO counties. The new IN Cap indicator code will replace existing CAP codes CM and C2 in MCO counties. All MCO recipients with a CM and C2 indicator code will be converted to Innovations (IN) in the Eligibility Information System (EIS). Change to the program indicator code is anticipated to be December 9, 2011. A terminal message will be sent out informing the counties of the conversion. This only applies to recipients residing in the participating counties. If a non-MCO recipient moves to a MCO county, EIS will automatically convert the indicator to IN, once the transfer is effective. As MCO goes statewide, CM and C2 indicator codes will be phased out.

Since there will be recipients residing in counties that are not currently participating in MCO, Local Management Entities will be forwarding the [DMA-5011A CAP Indicator Letter, \(Memorandum\)](#), to the local county DSS informing the Income Maintenance Caseworker of the appropriate indicator to use for the current waiver status of the recipient.

In the upcoming months, policy will be updated to reflect these changes. Subsequent notices will be sent out regarding any changes to policy and procedures.



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If you have any questions regarding this information, please contact your Medicaid Program Representative.

Sincerely,

Craig L Gray, MD, MBA, JD, Director

CLG/el  
Attachments



