

Early Intervention Services in Medicaid Managed Care

Medicaid Transformation and the transition to Managed Care impacts Medicaid services to infants and toddlers with disabilities and/or developmental delays

In accordance with Part C of the federally-enacted Individuals with Disabilities Act (IDEA), the NC Division of Public Health - Early Intervention Branch serves as the lead agency for the NC Infant-Toddler Program (NC ITP). The NC ITP ensures the provision of early intervention services and supports to children aged 0-3 who present with a physical, cognitive, communicative, social, emotional, or adaptive disability or established condition that will very likely cause a developmental delay. When possible, services shall be provided in natural environments where children live, learn and play (such as homes, community locations and early childhood programs) and where children would be if they did not have a developmental delay or disability.

These services are often provided by a Children's Development Services Agency (CDSA) as part of an Individualized Family Services Plan (IFSP) and, for children covered by Medicaid, billed to the State of North Carolina. NC Medicaid is in the process of a transformation that will change the way Medicaid services are provided. Most Medicaid beneficiaries will choose a health plan to receive Medicaid services. This change also impacts the provision of services to infants and toddler with disabilities and/or developmental delays.

DHHS wants to ensure that independent practitioners who wish to continue providing NC ITP services contract with the Medicaid Managed Care health plans. Given the specialized knowledge and skills required to serve the 0-3 population, service availability is critical, especially in rural areas. To continue the implementation of a statewide, comprehensive, coordinated, multidisciplinary, interagency system that provides critical early intervention services for infants and toddlers with disabilities or delays, it is imperative that health plans contract with the independent contractors who are currently providing most NC ITP services.

This fact sheet provides background and links to resources regarding how NC Medicaid Managed Care will impact these services.

WHAT IS MEDICAID TRANSFORMATION?

Medicaid Transformation is changing the way most people receive Medicaid services. In 2015, the NC General Assembly enacted [Session Law 2015-245](#), which directed

the Department of Health and Human Services (DHHS) to transition Medicaid and NC Health Choice from fee-for-service to managed care.

Under the fee-for-service model, DHHS reimbursed physicians and healthcare providers based on the number



of services they provide or the number of procedures they order. This model will now be known as **NC Medicaid Direct**. Only a small number of people will stay in Medicaid Direct.

Under Medicaid Managed Care, instead of contracting directly with providers, the State will contract with insurance companies, called Prepaid Health Plans (PHPs). This model is known as **Medicaid Managed Care**. Approximately 1.6 million of the current 2.2 million Medicaid beneficiaries will transition to Medicaid Managed Care.

Some services will continue to be covered by Medicaid Direct, these services are considered “carved out” of Medicaid Managed Care.

For more information on the transition to Medicaid managed care, see the [Provider Playbook](#) for an [overview](#).

WHAT IS A CHILDREN’S DEVELOPMENTAL SERVICES AGENCY AND WHAT SERVICES DO THEY PROVIDE?

To comply with IDEA and maximize the State’s capacity to provide quality early intervention services, 16 Children’s Developmental Service Agencies (CDSAs) across North Carolina work with local service providers to ensure services are provided to families and children in need.

HOW ARE NC-ITP SERVICES CURRENTLY PROVIDED?

Most NC ITP services are provided by approximately 765 independent practitioners who currently bill NCTracks. After the transition to Medicaid Managed Care these independent practitioners will need to bill the appropriate health plan for services on the IFSP that are not provided by the child’s local CDSA.

WHICH SERVICES ARE COVERED BY MEDICAID DIRECT?

Services provided and billed by CDSAs are covered by Medicaid Direct and billed to the State. The North Carolina General Assembly defined which services are carved out of Medicaid Managed Care in [Session Law 2017-57](#), Senate Bill 257. Accordingly, “Services provided and billed by Children’s Development Services Agency (CDSA) that are included on the child’s Individualized Family Service Plan” are not covered by Medicaid Managed Care.

Important: As the legislation is written, only services provided and billed by a CDSA are exempt from managed care and therefore covered by Medicaid Direct.

WHICH SERVICES ARE COVERED BY MEDICAID MANAGED CARE?

Services provided by independent practitioners are covered by Medicaid Managed Care and must be billed to a Medicaid Managed Care health plan. The exemption provided by Session Law 2017-57, Senate Bill 257 *does not apply to **independent practitioners*** who provide Medicaid-covered services that may be included on an Individualized Family Service Plan who do not bill their services to the CDSA. This includes those services on an Individualized Family Service Plan.

Medicaid-covered services include:

- Audiological Services
- Case Management
- Clinical Social Work Services
- Community-Based Rehabilitative Services (CBRS)
- Developmental Testing
- Medical Services
- Multidisciplinary Evaluations and Assessments
- Nutrition Services
- Occupational Therapy Services
- Physical Therapy Services
- Psychological Services
- Speech and Language Services

HOW DO BENEFICIARIES SELECT MANAGED CARE HEALTH PLANS?

Beneficiaries may choose and enroll in a health plan during open enrollment. Statewide open enrollment began on Oct. 14, 2019 and ends on Dec. 13, 2019. When open enrollment ends, beneficiaries who have not selected a health plan will be auto-enrolled with a plan by DHHS.

Beneficiaries can enroll in plans in various ways.

- By calling 1-833-870-5500 (toll free)
- Online at ncmedicaidplans.gov
- By completing the paper enrollment form found in their enrollment packet and returning it by fax or mail
- Using the NC Medicaid Managed Care mobile app
- be auto-assigned to a health plan and primary care provider (PCP) if they do not choose one by the deadline.

See the Provider Playbook for more information on [Beneficiary Enrollment and Timelines](#).

WHAT ARE HEALTH PLANS' RESPONSIBILITIES WITH RESPECT TO CONTRACTING WITH MEDICAID PROVIDERS?

DHHS expects health plans to negotiate with any willing provider in good faith regardless of provider or health plan affiliation.¹

Health plans may only exclude eligible providers from their networks under the following circumstances²:

- Provider fails to meet Objective Quality Standards³; or
- Provider refuses to accept network rates.

Providers can also reach out to health plans to check on the status of a contract. Health plan contacts for contracting can be found at

<https://medicaid.ncdhhs.gov/health-plans/health-plan-contacts-and-resources>.

For more information on contracting with a PHP see <https://files.nc.gov/ncdma/Provider-Playbook-AMH-Contracting-Final-20191021.pdf>

WHY IS IT IMPORTANT TO CONTRACT WITH HEALTH PLANS IN ADVANCE OF FEB. 1, 2020?

CDSA service providers who do not contract with health plans by Feb. 1, 2020, risk losing patients, as Managed Care beneficiaries will be required to obtain services from in-network providers for the health plan

If a contract is not in place by Feb. 1, 2020, and the provider has not engaged in good faith negotiations, the provider is at risk for being reimbursed at 90 percent for out-of-network services and subject to additional prior authorizations. There is no Medicaid rate floor for these services.

WHO SHOULD PROVIDERS CONTACT IF THEY ARE HAVING TROUBLE ENROLLING IN MEDICAID?

Providers who are having trouble enrolling should contact NCTracks at 800-688-6696.

WHO SHOULD PROVIDERS CONTACT IF THEY ENCOUNTER CHALLENGES CONTRACTING?

Providers should first seek to work with the health plans. If challenges persist, contact Medicaidswat@dhhs.nc.gov.

¹ [PHP Contract](#), Section V.D.2.a

² [PHP Contract](#), Section V.D.2.c.v

³ Means, as defined in Section 5.(6) d. of Session Law 2015-245, the objective standard that PHP can apply when determining if

to refuse a contract to a provider during the credentialing process. [PHP Contract](#), Section III.A.87