To: All Physicians, FQHC and RHC, Hospitals, and Ancillary Providers

Subject: Hoosier Healthwise Mandatory MCO Transition

Overview

The Office of Medicaid Policy and Planning (OMPP) will continue Hoosier Healthwise mandatory risk-based managed care (RBMC) enrollment in eight additional Indiana counties. This will transition current PrimeStep Hoosier Healthwise managed care members from primary care case management (PCCM) to enrollment with a local managed care organization (MCO) in the RBMC delivery system. This bulletin contains information for physicians, Federally Qualified Health Centers (FQHCs) and rural health clinics (RHCs), hospitals, and ancillary providers.

Mandatory MCO Enrollment

The OMPP has submitted a request for federal approval of modifications to Indiana’s 1915(b) waiver to the Centers for Medicare and Medicaid Services (CMS). The State believes these counties will be approved for mandatory MCO enrollment in the near future. **In preparation for the transition, effective August 1, 2003, new Hoosier Healthwise primary medical provider (PMP) enrollments in the transition counties will be approved only for MCO enrollment.** Table 1 lists the scheduled transition dates, by county, from PCCM to an MCO. The map included with this bulletin gives a graphic display of the affected counties.

<table>
<thead>
<tr>
<th>County</th>
<th>PMP Signed Contracts Sent to MCOs</th>
<th>Final Transition Date</th>
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<tbody>
<tr>
<td>LaPorte</td>
<td>September 1, 2003</td>
<td>November 1, 2003</td>
</tr>
<tr>
<td>Porter</td>
<td>September 1, 2003</td>
<td>November 1, 2003</td>
</tr>
<tr>
<td>Johnson</td>
<td>January 1, 2004</td>
<td>March 1, 2004</td>
</tr>
<tr>
<td>Morgan</td>
<td>January 1, 2004</td>
<td>March 1, 2004</td>
</tr>
<tr>
<td>Delaware</td>
<td>May 1, 2004</td>
<td>July 1, 2004</td>
</tr>
<tr>
<td>Grant</td>
<td>May 1, 2004</td>
<td>July 1, 2004</td>
</tr>
<tr>
<td>Howard</td>
<td>May 1, 2004</td>
<td>July 1, 2004</td>
</tr>
<tr>
<td>Madison</td>
<td>May 1, 2004</td>
<td>July 1, 2004</td>
</tr>
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</table>
Providers rendering services to members in the affected counties should review this bulletin to
determine the impact of these upcoming changes:

- Mandatory MCO enrollment does not apply to Medicaid Select members. These members continue
  PCCM coverage.
- Mandatory MCO enrollment does not apply to Indiana Health Coverage Programs (IHCP) members
  who have spenddown, or have a level of care designation for nursing home, waiver, or hospice.
  These members continue the traditional fee-for-service IHCP coverage.

**Mandatory MCO Enrollment Information for PMPs**

PMPs rendering services to members in the affected counties should review the following items to
determine the impact of these upcoming changes:

- PMPs in the affected counties can choose to contract with one of the Hoosier Healthwise MCOs or
  disenroll as a Hoosier Healthwise PMP. PrimeStep PMPs who complete the switch to one of the
  MCOs before the final transition date will retain the Hoosier Healthwise members who remain
  eligible for IHCP and who meet the PMP’s scope of practice criteria. To ensure enrollment with an
  MCO will be effective by the transition date, PMPs must have their signed contracts submitted to
  the MCO at least 60 days before the transition date. PMPs can also choose to remain as an IHCP
  provider, limited to non-Hoosier Healthwise managed care members or provide services upon
  referral.
- MCOs can provide additional services to members complementing services provided by the PMPs.
  Some examples of additional services are 24-hour nurse telephone services, enhanced
  transportation arrangements, and case management services. Contact the MCOs to discuss what
  benefits are available.

**Mandatory MCO Enrollment Information for Other Providers**

Following are frequently asked questions and responses:

- Do I need to sign a contract with an MCO to provide services?
  Specialists, hospitals, and ancillary providers have various MCO arrangements. Some of the MCO
  networks are open, meaning that any IHCP provider can render services to the MCO members.
  However, some are closed such as transportation and pharmacy networks. With closed networks,
  MCO-contracted providers usually render the services. In-network (MCO-contracted) providers
  are paid according to the contract with the MCO. Out-of-network (noncontracted) providers are
  paid at 100 percent of the IHCP rate. With the exception of some self-referral services, the MCO
  can require members to access services from MCO-contracted providers.

- How does this mandatory enrollment affect carved-out services?
  The carved-out services are Individual Education Plan (IEP) billed by an enrolled school
  corporation, dental, and behavioral health services. Generally, behavioral health services not
  rendered in an acute care setting or the PMP’s office are not the responsibility of the MCO.
  Mandatory MCO changes will not affect providers rendering care to MCO members for carved-out
  services. Claims for those services continue to be processed by EDS. However, claims related to
  carved-out services such as transportation or pharmacy services, are the responsibility of the MCO.
  The June 20, 2002, IHCP provider bulletin, BT200231, provides more information on this topic.

- How does this affect self-referral services?
  Changes affect self-referral providers for pediatrics, vision care, chiropractic, and family planning
  services. MCOs are responsible for payment of the self-referral services for their members. Claims
  for these services must be sent to the appropriate MCO for payment.
• Can an FQHC or RHC contract with an MCO?

An FQHC or RHC can participate with an MCO. The MCO provider contract must specify the contractual arrangements to ensure that FQHCs and RHCs are reimbursed for services. The OMPP endorses the following types of contractual arrangements between MCOs and FQHCs or RHCs:

– The FQHC or RHC accepts full capitation for primary, specialty, or hospital services.
– The FQHC or RHC accepts a partial capitation or other method of payment at less than full risk for patient care, such as primary care capitation only, or fee-for-service.

• How can I enroll with an MCO?

Table 2 lists active managed care organizations in Indiana, active regions in the State, and telephone numbers.

Table 2 – Managed Care Organizations

<table>
<thead>
<tr>
<th>Organization</th>
<th>Region</th>
<th>Provider Service Phone Number</th>
<th>Web site</th>
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<tbody>
<tr>
<td>Harmony Health Plan North and Central</td>
<td>1-800-504-2766</td>
<td><a href="http://www.harmonyhmi.com">www.harmonyhmi.com</a></td>
<td></td>
</tr>
<tr>
<td>Managed Health Services (MHS)</td>
<td>Statewide</td>
<td>1-800-414-9475</td>
<td><a href="http://www.managedhealthservices.com">www.managedhealthservices.com</a></td>
</tr>
<tr>
<td>MDwise</td>
<td>Statewide</td>
<td>1-800-356-1204 or (317) 630-2831</td>
<td><a href="http://www.mdwise.org">www.mdwise.org</a></td>
</tr>
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</table>

• How are prior authorizations handled for members changing networks or plans?

Any time members enter or change a Hoosier Healthwise managed care network they may have already received authorizations for services and procedures not completed on the effective date of the enrollment in the new network. The PAs might be for a specific procedure, such as surgery, or for ongoing procedures authorized for a specified duration, such as physical therapy or home health care.

Hoosier Healthwise PrimeStep and MCOs must honor outstanding PAs for services for the first 30 days of a member’s effective date in the new network. This authorization extends to any service or procedure previously authorized in the Hoosier Healthwise program, including but not limited to, surgeries, therapies, pharmacy, home health care, and physician services. MCOs could be required to reimburse out-of-network providers during the 30-day transition period. This enables PAs to be established in the new network while providing continuity of care. If the member has or will have an outstanding PA on the transition date, the provider should contact the new MCO to request a new PA.

Additional Information

Additional information, including MCO network summaries, is available on the IHCP Web site at www.indianamedicaid.com. Direct questions about the information in this bulletin to the appropriate MCO listed in Table 2 or to AmeriChoice at 1-800-889-9949, option 3.

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