



MEMORANDUM

To: Managed Care Plan Liaisons to NYS

From: Thomas Smith, MD, Medical Director, NYSOMH Division of Managed Care
Charles Morgan, MD, Medical Director, NYSOASAS
Pat Lincourt, Director, NYSOASAS Practice Innovation and Care Management

Date: May 14, 2015

Re: MCO Behavioral Health Guidance memo
Prior and concurrent authorization for ambulatory behavioral health services

NYS is providing guidance regarding utilization management for ambulatory behavioral health (BH) services that will be effective when the Mainstream Managed Care (MMCOs) and Health and Recovery Plans (HARPs) assume management of these services in the adult Medicaid Managed Care Program. These services (listed in the enclosed attachment) include routine outpatient office and clinic care as well as the full range of BH specialty services. NYS is confirming MMCOs and HARPs will not use prior authorization for Medicaid BH outpatient office and clinic services as of the implementation of the behavioral health carve-in. MCO responses to the RFQ indicated that MMCOs/HARPs intend to minimize the use of prior authorization for routine BH outpatient office and clinic services because it has proven to be an inefficient form of utilization management. In addition, parity requirements prohibit the imposition of non-quantitative treatment limits or benefit exclusions based on medical necessity or medical appropriateness when there are no such limits for similar medical/surgical services.

See the enclosed Attachments 1 and 2, which summarize NYS requirements related to MMCO and HARP prior authorization and concurrent review for ambulatory BH services. Note that:

1. *Prior Authorization Request* is a Service Authorization Request by the Enrollee, or a provider on the Enrollee's behalf, for coverage of a new service, whether for a new authorization period or within an existing authorization period, made before such service is provided to the Enrollee.
2. *Concurrent Review Request* is a Service Authorization Request by an Enrollee, or a provider on Enrollee's behalf for continued, extended or more of an authorized service than what is currently authorized by the Contractor within an existing authorization period.

NYS expects Plans to use alternate utilization management and quality improvement approaches to manage behavioral health services when prior and/or concurrent review authorizations are not allowed. Plans can monitor individual patient service use as well as provider metrics and identify threshold triggers for utilization management or quality improvement that includes consultation with providers regarding individual treatment plans and/or provider profile data. Examples of triggers for utilization management or quality improvement include both volume metrics (e.g., X visits within Y months) and quality measures (e.g., X outpatient visits for treatment of depression with no claims for antidepressant medications; or multiple admissions for a program for patients with opioid dependence diagnoses with no medication management or appropriate pharmacy claims). These utilization management and quality improvement approaches should include recommendations for providers to prospectively adjust practices and policies and should not involve retroactive utilization review.

NYS will strongly endorse MMCO/HARP provider contract requirements regarding timely notification of the MMCO/HARP when a new episode of ambulatory BH care is initiated. Such notification will ensure that MMCO/HARP staff are aware of services being delivered and can provide other forms of utilization management when prior authorization is not required. Please note, however, that MMCOs/HARPs will not be allowed to deny payment for ambulatory BH services based upon failure of the provider to notify the MMCO/HARP that an episode of ambulatory BH care has been initiated. NYS will work with MMCO/HARP leadership to support alternative approaches to ensuring provider adherence to contracted notification requirements.

Please let us know if you have any questions.

CC: Behavioral Health Managed Care Plan Liaisons
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