

South Carolina  
**DEPARTMENT OF HEALTH AND HUMAN SERVICES**  
Post Office Box 8206  
Columbia, South Carolina 29202-8206  
[www.dhhs.state.sc.us](http://www.dhhs.state.sc.us)

February 7, 2005

# MEDICAID BULLETIN

<i>CHIR</i>	05-02	<i>OMP-THER-SP</i>	05-01
<i>DME</i>	05-02	<i>PHARM</i>	05-01
<i>EPSDT</i>	05-01	<i>PHY-ALG</i>	05-02
<i>HH</i>	05-02	<i>PHY-ANES</i>	05-02
<i>HMO</i>	05-01	<i>PHY-CARD</i>	05-02
<i>HOS-IP-GEN</i>	05-02	<i>PHY-DERM</i>	05-02
<i>HOS-IP-IMD</i>	05-01	<i>PHY-ENT</i>	05-02
<i>HOS-IP-RTF</i>	05-01	<i>PHY-ER</i>	05-02
<i>HOS-OP</i>	05-02	<i>PHY-MSP-CBP</i>	05-02
<i>LAB</i>	05-02	<i>PHY-MSP-HBP</i>	05-02
<i>MC-ASC</i>	05-02	<i>PHY-OPHT</i>	05-02
<i>MC-CCDC</i>	05-01	<i>PHY-PATH</i>	05-02
<i>MC-DE</i>	05-01	<i>PHY-PC-FP/GP</i>	05-02
<i>MC-DHEC</i>	05-01	<i>PHY-PC-GER</i>	05-02
<i>MC-DRC</i>	05-02	<i>PHY-PC-INT</i>	05-02
<i>MC-ESRD</i>	05-01	<i>PHY-PC-NEO</i>	05-02
<i>MC-FFHC</i>	05-02	<i>PHY-PC-OG</i>	05-02
<i>MC-FQHC</i>	05-02	<i>PHY-PC-PED</i>	05-02
<i>MC-MCHC</i>	05-01	<i>PHY-PC-PED/SUB</i>	05-02
<i>MC-PDN</i>	05-01	<i>PHY-PS</i>	05-02
<i>MC-RHC</i>	05-02	<i>PHY-RAD</i>	05-02
<i>MC-SHC</i>	05-01	<i>PHY-S</i>	05-02
<i>OMP-CRNA</i>	05-02	<i>PHY-SPEC</i>	05-02
<i>OMP-NM</i>	05-02	<i>PHY-SURG</i>	05-02
<i>OMP-NP</i>	05-02	<i>POD</i>	05-02
<i>OMP-NPS</i>	05-02	<i>TRANS-AMB</i>	05-01
<i>OMP-PSY</i>	05-02	<i>TRANS-CON</i>	05-01
<i>OMP-THER-AUD</i>	05-01	<i>TRANS-IND</i>	05-01
<i>OMP-THER-OT</i>	05-01	<i>VIS</i>	05-02
<i>OMP-THER-PT</i>	05-01	<i>XRAY-IND</i>	05-02

**TO: Medicaid Providers**

**SUBJECT: Medical Homes Local Network (MHLN)**

The Medical Homes Local Network (MHLN) Program is a physician-driven managed care entity designed for Medicaid recipients. Beneficiaries who choose to enroll in this program agree to utilize the primary care physician to provide and/or coordinate all of their medical care needs. This partnership for care affords the beneficiaries the comfort of knowing that they will receive necessary (or all essential) medical services. Also, this will reduce the necessity to utilize emergency rooms and other high-cost medical services for primary care needs. The state's first Medicaid Medical Homes Local Network program began operating September 1, 2004, in Anderson, Oconee, and Pickens Counties. This pilot program, Upstate Carolina Best Care (UCBC), is designed to put the medical care decisions in the hands of local providers, using shared savings to reward positive health and efficient utilization of resources.

**The goals of the Medical Homes Local Network program are to:**

- Establish medical homes for Medicaid beneficiaries to promote continuity of care and improve care coordination for beneficiaries.
- Emphasize self-directed care, wellness and prevention to improve quality of life.
- Provide 24-hour access to a licensed healthcare provider.
- Provide more intensive care coordination to enrollees as needed.
- Reduce improper utilization of the emergency room for non-urgent healthcare.
- Reduce pharmacy costs.

- Better utilize Medicaid resources through increased patient monitoring, evidence-based resources and physician accountability.
- Enhance beneficiaries' ability to participate more fully in health care decision.

The Primary Care Physician (PCP) will provide and arrange for most of the members' healthcare needs. PCPs are contractually required to either provide services or authorize another provider to treat the member. The PCP must authorize the following services:

1. Inpatient hospitalizations including Residential Treatment Facilities and Institutions for Mental Disease;
2. Outpatient hospital services;
3. Medical services provided by other physicians; (such as Podiatrists, Chiropractors, Cardiologists, Allergists, Orthopedists, etc.)
4. Services provided by Nurse Practitioners or Nurse Midwives;
5. DHEC Clinic services;
6. Services provided through Ambulatory Surgical Centers;
7. FQHC and RHC services;
8. Home Health services; and
9. Services provided through Developmental Evaluation Centers.

Exceptions to the requirement for prior authorization include DRGs related to newborns, Family Planning Services and outpatient lab and x-ray services.

In some cases, the PCP may choose to authorize a service retroactively. All authorizations, including consultations and services authorized retroactively, are at the discretion of the PCP. The process for referring a member to a specialist can be by telephone or in writing. Authorization is not required for services provided in a hospital emergency department or for an admission to a hospital through the emergency department. However, the **physician component for inpatient services does require authorization**. The hospital should contact the PCP for authorization within 48 hours of the member's admission. Specialist referrals for follow-up care after discharge from a hospital **also** require PCP authorization.

Failure to obtain the necessary Prior Authorization code from the PCP will result in a 965 edit. This is a new edit and works similarly to the PEP 421 edit. During the first months of operation, providers may care for patients who were actually referred by the PCP prior to the September 1, 2004 start date. The UCBC physicians are actively working to identify their patients who may have been referred without the PA number. Providers who receive this edit are encouraged to contact the referring PCP. If the referring physician is not known, providers may call the Department of Managed Care for assistance at (803) 898-2869.

Members can obtain the following services from Medicaid providers without first obtaining authorization from their PCPs:

- Ambulance

- Dentist
- Dialysis/End Stage Renal Disease Services
- Durable Medical Equipment
- Family Planning Services
- Home and Community Based Waiver Services
- Independent Lab and X-Ray
- Medical Transportation
- Nursing Home
- Opticians
- Optometrists
- Pharmacy
- Speech and Hearing Clinic
- Services from most other State Agencies:
  - Department of Mental Health
  - Continuum of Care
  - Department of Alcohol and Other Drug Abuse Services
  - Department of Disabilities and Special Needs

Some services still require a prescription or doctor's order. Physicians should refer to the appropriate Medicaid Provider Manual for more detailed information and/or requirements or contact their DHHS Program Manager.

A local physician board comprised of one member from each participating practice will oversee UCBC's operations, monitoring the delivery and use of Medicaid services in the Upstate to maximize efficiencies and encourage better health outcomes. Such coordinated care combines disease management concepts with the dynamics of "pay for performance" as incentive for good management of the recipient's benefit package.

The following six physician practices have agreed to begin the UCBC network and are actively enrolling members. UCBC has contracted with the South Carolina Medical Association for administrative support services.

<p>1. Easley Pediatrics 800 North A Street Easley, SC 29640 Contact: Jane Dallas, Administrator Phone: 864-855-0001</p>	<p>2. Between the Lakes Family Practice, PA 105 Omni Drive, Suite A Seneca, SC 29672 Contact: Becky Moody, Financial Office Manager Phone: 864-482-8000</p>
<p>3. Cornerstone Family Practice 106 Ram Cat Alley Seneca, SC 29678 Contact: Sandy Fricks, Office Manager Phone: 864-888-0102</p>	<p>4. Liberty Family Care, PC 300 West Front Street Liberty, SC 29657 Contact: Tobias Vogel, Practice Manager Phone: 864-843-5602</p>

<p>5. Baptist Upstate Physicians Medical Center of Easley 104 Fleetwood Drive Easley, SC 29641-2089 Contact: Rheba Ellenburg, Office Manager Phone: 864-850-3425 or 864-859-3998</p> <p>This group is comprised of the following practices: Medical Center of Easley Easley Family Practice &amp; Internal Medicine Powdersville Medical Park</p>	<p>6. Anderson Area Medical Center dba AnMed Family Practice Center AnMed Child Health Center AnMed Family Health Center AnMed Women's Health Center AnMed Westside Community Center Contact: Pam Venturelli, Financial Manager, AnMed Support Services 109 Essex Drive Anderson, SC 29621 Phone: 864-260-3878</p>
---	--

A second medical homes local network program is being designed for several counties in the Northeast portion of South Carolina. The Department of Health and Human Services is working with PhyTrust, an administrative services organization, to develop the network for Dillon, Georgetown, Horry, Marion, Marlboro, and Williamsburg counties.

For further information, please contact the Department of Managed Care at (803) 898-2818.

/s/

Robert M. Kerr  
Director

RMK/bghs

**NOTE:** To receive Medicaid bulletins by email or to sign up for Electronic Funds Transfer of your Medicaid payment, please go to the following link for instructions:  
<http://www.dhhs.state.sc.us/ResourceLibrary/E-Bulletins.htm>