



PAHC Staff Training AUD Processing | 42 CFR Part 2

APRIL 1, 2026

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Meeting Agenda

» Part I: AUD Process Change

- Overview

- Impact

» Part II: 42 CFR Part 2

- Overview

- Impact



AUD Processing Change

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Overview: One Magellan Alignment



- Effective **Monday April 6, 2026**, the processing and approval process for all **standard AUD forms** will be migrating to the AUD Processing Team in Corporate Compliance. This team is currently managing this function for all Magellan lines of business.
- The change does NOT apply to any Specialty AUD Forms (e.g., Integrated Health; Mental Health/ Drug/ Dependency Court; CBCM; etc.) or Text Consents.
- All AUDs should continue to be sent to pahc_aud@MagellanHealth.com. All PAHC staff that currently have access to this mailbox will have their access removed on April 3, 2026.
- With the new process, the processing time for review of all consent/ AUD forms that are received will be **2-3 business days**. This represents a slight increase in current processing time (1-2 days). Please plan accordingly and communicate openly with providers/ members if there will be a specific and immediate need for Magellan to share PHI in accordance with a consent/ AUD form.

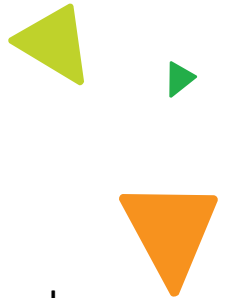
Overview of Changes

WHAT IS CHANGING

- The team responsible for processing standard AUDs is shifting from a team of local Customer Experience Associates to a centralized team of compliance personnel.
- Processing time for routine requests may be slightly longer than under current process (from 1-2 business days to 2-3 business days).
- There will be a process to request expedited reviews in urgent situations.
- Follow-ups for invalid AUDs will follow a new process.
- Alerts will be added in TruCare for both valid and invalid AUDs. Users still need to review the AUD Note for specifics before they share PHI.

WHAT IS NOT CHANGING

- Standard AUDs can still be sent to pahc_aud@magellanhealth.com.
- Nothing is changing with the AUD forms themselves.
- Completed online AUDs are automatically routed to the above e-mail address.
- Outside of adding alerts, how AUDs are documented in TruCare will mainly remain the same (some 42 CFR Part 2 changes will apply- to be discussed later in this training).
- Legal Paperwork which is submitted separate from an AUD should continue to be sent to pahccompliance@magellanhealth.com.
- All specialized consents will follow the existing processes whereas specific PAHC staff will continue to review and approve. Text consent processing is also not changing.
- If you need to check on the status of whether an AUD was received, you can still send an e-mail to pahc_aud@magellanhealth.com. The subject should include: "AUD Receipt Confirmation Needed".



Invalid AUD Follow-up



- When an AUD is found to be invalid, the AUD Processing Team will follow-up with the member or provider via a deficiency letter (DL) to explain why the AUD was invalid and assist with resubmission. That will be communicated as follows:
 - If the consent/ AUD form is submitted on our website utilizing the electronic form, a deficiency letter will be mailed via USPS to the member. The deficiency letter will outline why the form is invalid and include instructions for re-submission.
 - If the consent/ AUD form is submitted via fax, mail or e-mail by a provider or other third party and it's clear who submitted the form, Magellan will send the deficiency letter to the attention of the submitter.
 - The AUD Processing Team will also continue to document the validity of all consent/ AUD forms in TruCare and therefore, a member or provider can contact us at any time to review the status of the approval or reason(s) for refusal.

Urgent Processing Requests

- Scenario 1: a decision on an AUD is needed in less than 2-3 business days (e.g., a grievance or complaint hearing is taking place tomorrow).
 - The requestor will send an e-mail to the AUD Processing Team via the mailbox [pahc_aud@magellanhealth.com] requesting expedited processing. The e-mail must include either a copy of the AUD or if it's previously been submitted, the name, DOB and/or MA ID of the member. The requestor should put "Urgent AUD Processing Request" in the subject. The AUD Processing Team will process the AUD within 1-3 hours and document the outcome in TruCare.
- Scenario 2: If an urgent request is received by the PAHC Compliance Department via their personal Magellan email or the PAHC Compliance mailbox, we will forward that request and AUD (if provided) to the AUD mailbox [pahc_aud@magellanhealth.com] noting the urgent request and then the AUD Processing Team will process as described above (within 1-3 hours).
- Scenario 3: there is an **extremely urgent request** (e.g., someone is walking into a meeting or other appointment) and needs the AUD approved **immediately**.
 - The requestor will send an e-mail to pahccompliance@magellanhealth.com with a copy to Karli [kmschilling@magellanhealth.com] requesting immediate processing. The e-mail must include a copy of the AUD requiring review (Karli and Holly will NOT have access to the AUD mailbox) in addition to the rationale. Karli or Holly will process the AUD and document the outcome in TruCare. TEAMS can also be utilized to prompt us.

Communications

- A Magellan [Compliance E-mail Blast](#) was sent to our Provider Network on February 27, 2026 notifying them of the upcoming changes.
- The provider communication is also posted on our Magellan of PA website.
- A staff communication was sent on March 2, 2026.
- The Primary Contractors/ Counties have been notified through various standing Operations Meetings.





Questions??

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42 CFR Part 2

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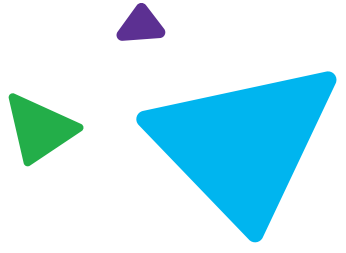


Level Set: What is 42 CFR Part 2?

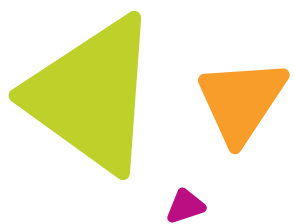


- 42 CFR Part 2 is a federal regulation that protects substance use disorder (SUD) information/ records, requiring **written consent** for disclosures linked to federally assisted programs.
- These federal regulations, which has been around since the 1970s, are designed to protect the confidentiality of people who seek or obtain treatment for SUD.
- The main purposes include:
 - Ensures treatment is kept private
 - Encourages people to seek treatment for SUD
 - Protects individuals from stigma and discrimination consequences
- Violations can lead to
 - Penalties
 - Loss of trust
 - Harm to members

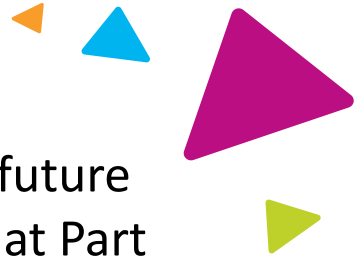
42 CFR Part 2 2024 Final Rule



- On February 8, 2024, the U.S. Department of Health & Human Services (HHS) announced a final rule modifying the Confidentiality of Substance Use Disorder (SUD) Patient Records regulations at 42 CFR part 2 (“Part 2”).
- The 2024 Final Rule (effective February 16, 2026) aligns it more closely with HIPAA to improve care coordination while restricting stricter protections against law enforcement and unauthorized use, aiming to reduce stigma and encourage treatment.
- Magellan has been working towards ensuring all staff are compliant by April 1, 2026.
- 3 parts requiring implementation:
 - One-time consent for all future uses and disclosures
 - Clear Notice
 - Re-disclosures

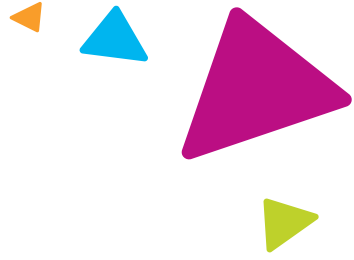


One-time Disclosure



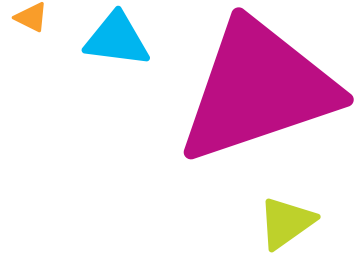
- A Part 2 program, Covered Entity, or Business Associate can now obtain a single consent for all future uses and disclosures for treatment, payment, and health care operations (TPO) which allows that Part 2 program, Covered Entity, or Business Associate to use and disclose those records for TPO as permitted by the HIPAA regulations, until such time as the patient revokes such consent in writing.
- Our PAHC AUD Form was updated in 2025 to allow the member the option to give a one-time consent (reference [provider communication](#) from June, 2025).
- There is no operational impact to the one-time consent. We still require written consent to share SUD information with a provider or other third party. Whether it's a Magellan consent or the provider obtained the one-time consent from the member, they would be required to send us a copy of their release which would be reviewed per standard process.
- The AUD Processing Team will review AUDs and, if an AUD meets the one-time consent requirements, the necessary language will be documented in the member's record.

Clear Notice



- **HOT TOPIC** was distributed on 3/30/26.
- Paper/ hard copy SUD Disclosures:
 - When an AUD is authorizing release of SUD information, a copy of the member's completed valid AUD must be included with the disclosure of SUD information.
 - ✓ When we send written SUD information pursuant to an approved AUD, we must include a copy of the AUD with the materials we are sending. For example, when we obtain an AUD to send RTF/ FBS/ IBHS referrals and the information includes SUD, we must attach a copy of the AUD to the referral packet.
 - ✓ We will also include a 42 CFR Part 2 Cover Sheet



Clear Notice cont'd



- Verbal SUD Disclosures:
 - When the disclosure is verbal, a script will be read:
 - ✓ The information we are about to disclose includes substance use disorder (SUD) information, which is protected under federal law. We have written authorization from the member and/or their authorized personal representative to disclose this information to you. The scope of the authorization from the member includes XXXXXX [description of what the AUD from the member says].
 - ✓ The script will be added to the AUD approval note in TruCare.

AUD Approval Note Text Example

Notes

Summary Add Note  View Authorization To Use & Disclose (AUD) IBHP 

Add Note **Details** Confidential Users Make Note Confidential

Was the AUD deficiency letter added to attachments in the AUD note?

Yes

No

If no deficiency letter was added as an attachment, please explain why not:

Note Text

"VALID; Share [insert SUD and/or ALL records] with XXX for the purpose of XXX. PLEASE NOTE Since you may be disclosing SUD information please read this script prior to disclosing, "" The information we are about to disclose includes substance use disorder or SUD information, which is protected under federal law. We have written authorization from the member and/or their authorized personal representative to disclose this information to you. The scope of the authorization from the member includes: [description of what the AUD from the member says]."" Compliance approved AUD by XXXXX (First Name. Last Initial).

Clear Notice (cont'd)



- The Corporate Oral and Written Transmission of PHI policy has been updated with the script, adding information to the fax coversheets and adding a new 42 CFR Part 2 Cover Sheet. Magellan of PA will be reviewing and updating our version of the OWT Policy in the near future.
- **REMEMBER: The requirement to read a script before verbally disclosing SUD information applies only to situations where we need an AUD to share the information.**

Re-disclosures

- If Magellan receives a member's SUD information, along with a non-Magellan AUD allowing one-time written consent that allows for future sharing for treatment, payment and operations, then Magellan can share that information in the same way it shares other health information under HIPAA.
- Magellan's Legal Counsel within Corporate Compliance **must review all non-Magellan AUD's.**
- Redisclosures only apply to AUDs with both the one-time consent marked and completed accurately and request disclosure of SUD or all information.

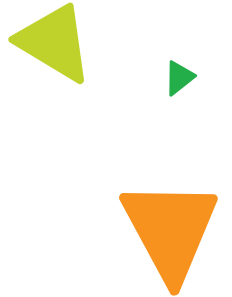
Does 42 CFR Part 2 Apply?

Yes

- When sharing SUD information pursuant to an AUD.
- When sharing SUD information as a result of a court order or for litigation proceedings.
- When sharing SUD information with a third party for a records request.

No

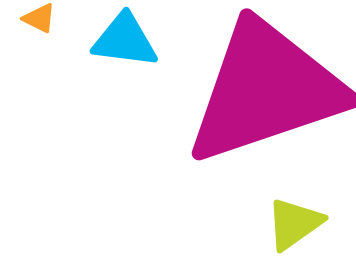
- When sharing SUD information with the member or member's personal representative.
- When sharing a provider's own SUD information with the requesting SUD provider
- When sharing SUD information with a customer (health plan, state agency)



Resources Available

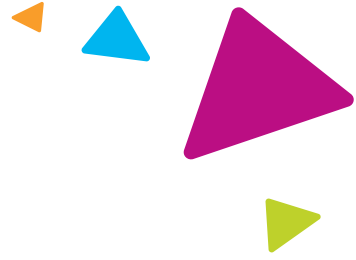
- ✓ **Oral and Written Transmission of PHI Policy and associated Attachments (Corporate version has been approved and posted; PAHC version is in review)**
- ✓ Fax Coversheets (please use appropriate PHI or non-PHI coversheet)
- ✓ New 42 CFR Part 2 Cover Letter (for hard copy/ paper SUD disclosures). Attach along with a copy of the AUD.
- ✓ Workflows and Wiki SBSs will be updated.
- ✓ Compliance: Please contact your Local Compliance Officer if you have any questions.

PHI Fax Coversheet – Updated to align with 42 CFR Part 2



FAX COVER		
To:	From:	
Fax:	Page(s):	
Phone:	Date:	
Re:	CC:	
Local Compliance Officer Contact Information		
Name:	Phone:	Email:
Karli Schilling	877-769-9779	PAHCCompliance@magellanhealth.com
<input type="checkbox"/> Urgent <input type="checkbox"/> For Review <input type="checkbox"/> Please Comment <input type="checkbox"/> Please Reply <input type="checkbox"/> Please Recycle		
Comments:		
<div style="background-color: #e0e0ff; height: 60px;"></div>		
CONFIDENTIALITY NOTICE WARNING: Unauthorized interception of this telephonic communication could be a violation of Federal and State law.		
NOTICE TO RECIPIENT OF INFORMATION <p>The information contained in this communication may include protected health information (PHI) that is subject to federal and state confidentiality requirements. If the information herein contains substance use disorder (SUD) information related to an individual, it is being disclosed to you pursuant to the explicit written consent of the individual authorizing its disclosure. Please review the following notice carefully before accessing, using, or disclosing this information.</p> <p>This record which has been disclosed to you is protected by Federal confidentiality rules (42 CFR part 2). These rules prohibit you from using or disclosing this record, or testimony that describes the information contained in this record, in any civil, criminal, administrative or legislative proceedings by any Federal, State, or local authority, against the patient, unless authorized by the consent of the patient except as provided at 42 CFR 2.12(c)(5) or as authorized by a court in accordance with 42 CFR 2.64 or 2.65. In addition, the Federal rules prohibit you from making any other use or disclosure of this record unless at least one of the following applies:</p> <ul style="list-style-type: none">• Further use or disclosure is expressly permitted by the written consent of the individual whose information is being disclosed in this record or as otherwise permitted by 42 CFR part 2.• You are a covered entity or business associate and have received the record for treatment, payment, or health care operations, or• You have received the record from a covered entity or business associate as permitted by 45 CFR part 164, subparts A and E. <p>The document accompanying this telecopy transmission may contain confidential information which is legally privileged; the information is intended only for the use of the recipient named above. You are hereby notified that any disclosure, copying, distribution or action taken in reliance of the contents of this telecopied information is STRICTLY PROHIBITED. <u>If you received this electronic transmission in error, please immediately notify the sender at the above contact information to arrange for the return or destruction of the original documents.</u> Thank you.</p>		
<small>Created: August 2023 Last Update: March 2026</small>		
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New 42 CFR Part 2 Coversheet



NOTICE TO RECIPIENT OF INFORMATION

The information contained in this communication may include protected health information (PHI) that is subject to federal and state confidentiality requirements. If the information herein contains substance use disorder (SUD) information related to an individual, it is being disclosed to you pursuant to the explicit written consent of the individual authorizing its disclosure. Please review the following notice carefully before accessing, using, or disclosing this information.

This record which has been disclosed to you is protected by Federal confidentiality rules (42 CFR part 2). These rules prohibit you from using or disclosing this record, or testimony that describes the information contained in this record, in any civil, criminal, administrative or legislative proceedings by any Federal, State, or local authority, against the patient, unless authorized by the consent of the patient except as provided at 42 CFR 2.12(c)(5) or as authorized by a court in accordance with 42 CFR 2.64 or 2.65. In addition, the Federal rules prohibit you from making any other use or disclosure of this record unless at least one of the following applies:

- Further use or disclosure is expressly permitted by the written consent of the individual whose information is being disclosed in this record or as otherwise permitted by 42 CFR part 2.
- You are a covered entity or business associate and have received the record for treatment, payment, or health care operations, or
- You have received the record from a covered entity or business associate as permitted by 45 CFR part 164, subparts A and E.

Reminders for E-mailing PHI to Member



- If an email being sent to a member contains PHI, Magellan must have consent from the member to receive emails from Magellan which contain PHI. The consent must include the following:
 - ✓ The specific information that will be sent so the member understands the exact information about them that is going to be sent via email and that will be available in their Inbox and, thus, available to whomever may have access to their Inbox;
 - ✓ Magellan’s obligation to encrypt emails with PHI due to the HIPAA Security Rule requirements; and
 - ✓ The risk that email transmissions cannot be guaranteed to be secure or error-free as information could be misdirected, intercepted, corrupted, lost, destroyed, or contain viruses.
- In addition to the consent from the member, any emails to members from a Magellan email address that does not accept incoming messages or that is not monitored 24 hours a day should include a disclaimer directing the member not to reply to the email(s). The following is a suggested disclaimer:

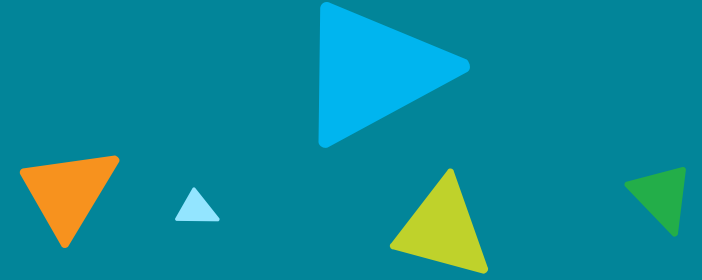
“Do not reply to this email. This email inbox is NOT monitored 24 hours a day. If you need help right away, contact your provider of choice or local emergency services through 911.”
- A member must be presented with a way to opt-out of receiving any future emails
- Other reminders:
 - Remove or limit identifying info
 - No PHI in Subject
 - “Secured1,” type “Private: Disclosure Not Permitted” in the subject line
 - Use “Read Receipt” for message

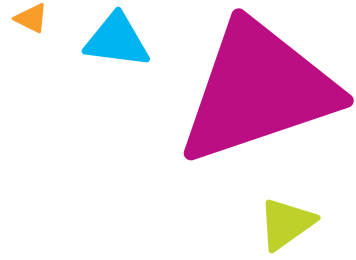
Questions??



THANK YOU!

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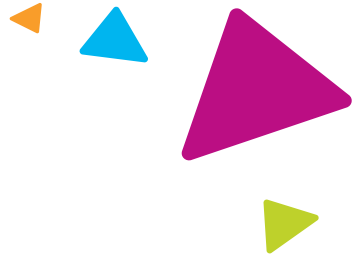




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