• Mental Health
• Developmental Disabilities
• Substance Abuse

North Carolina
Council of Community Programs

Medicaid 1115 (b) Waiver and MH/I-DD/SUD System

Excerpt from the draft 1115 Medicaid waiver as it relates to integration of MH/I-DD/SUD and physical health: *"The new system for North Carolina should be built upon the existing strengths of the LME/MCO system—strong clinical management; expertise in mental health, developmental disabilities and substance use disorders; innovation; commitment to collaboration and standardization; and dedication to integrated care for individuals with severe mental illness, chronic or severe substance use disorders and intellectual or other developmental disabilities."*

On March 1, Secretary Brajer and his staff provided the Legislative Oversight Committee on Medicaid and Health Choice an update on the draft 1115 (b) Medicaid Waiver which will change the current Medicaid physical healthcare fee-for-service system to a managed care program. The current Medicaid 1915 (b)(c) waiver for MH/I-DD/SA services will run concurrently with the 1115 (b) waiver for at least four years after implementation, according to S.L. 2015-245. Neither the statutory language nor the 1115 waiver draft application address the configuration of behavioral health and I-DD services after the four year period has ended. Secretary Brajer's plan outlined six statewide regions for the primary healthcare reform and he likens the new system to building a house for which he is currently laying the foundation.

The Department of Health and Human Services is formally accepting input on the draft plan of the 1115 Waiver and will be setting up future listening sessions around the State. They will also be receiving waiver input via their DHHS website . Here is what you should understand about MH/I-DD/SUD as it relates to the 1115(b) waiver:

Items in Draft 1115 (b) Waiver related to MH/I-DD/SUD Services, DHHS will:

- Contract with two types of Prepaid Health Plans (PHPs), Commercial Plans (CP) and Provider-Led Entity (PLE). *Note: LME/MCOs are considered Prepaid Inpatient Health Plans (PIHPs) under the 1915(b)(c) waiver.*
- Build in long-term contracts of four to five years to encourage investment in transformation.
- Build upon the strong clinical management at LME/MCOs, as well as their collaboration and standardization.
- Give more responsibility to LME/MCOs for physical healthcare for individuals with Severe Mental Illness, Substance Use Disorders and Intellectual and Developmental Disabilities.
- Progress toward integrated behavioral health and physical health and planning for integration within a single capitated system.
- Build upon current models of Primary Care Medical Homes (PCMH) and Primary Care Case Management (PCCM) to transform to Person-Centered Health Communities (PCHCs).

- Give responsibility to PCHCs for behavioral health integration at the care management level, assessment and appropriate interventions to impact social determinants of health, and supports to individuals using LTSS.
- Pilot opportunities, by better aligning funding sources, to increase sustainability of integrated behavioral health providers in primary care settings to address mild-to-moderate behavioral health issues.
- Integrate Long-Term Supports and Services (LTSS) for Medicaid Only. Conduct a concurrent demonstration [under the 1115] with the existing CAP/C and CAP/DA waivers.
- Include PCHCs in the PHP provider network and build on successful specialty care management programs.
- Implement a "complementary package" of initiatives to improve the outcomes for children and families in the child welfare system.
- Establish an Innovations Center to provide technical assistance and learning collaboratives for providers.
- Include mandatory connectivity to the Health Information Exchange for Medicaid providers by February 2018 and for all other state-funded health programs by June 2018.
- Designate an "Essential Provider" category to secure a place for safety net and rural providers. That designation would include: Federally Qualified Health Centers (FQHCs); Rural Health Clinics and Centers (RHCs); free and charitable clinics; local health departments; school-based health centers.
- Establish uniform credentialing and prompt pay requirements.
- Maintain supplemental payment funding levels for hospitals.
- Tailor PHPs to populations that a county DSS can choose from for the entire county unless the Medicaid beneficiary chooses otherwise.
- Ensure budget neutrality in the 1115 waiver as compared to the current cost of the scope of services.

Provisions in Medicaid Reform Law re: MH/I-DD/SUD Services:

- The Division of Health Benefits (DHB) of the Department of Health & Human Services (DHHS) is created and transitions functions from the Division of Medical Assistance (DMA) within twelve-months of the implementation of capitated contracts and DMA will be eliminated.
- DHHS, through DHB submits waivers and State Plan Amendments (SPA) to Centers for Medicare & Medicaid Services (CMS) on or before June 1, 2016.
- 18-months after approval by CMS, capitated physical health Medicaid contracts begin
    - Three capitated contracts between DHB and Prepaid Health Plans, (PHP) for statewide coverage, are executed with three to five year terms to stagger implementation.
    - Up to ten contracts with Provider-Led Entities (PLEs) for regional contracts will be executed *(Note: DHHS will be asking to increase this to twelve)*
    - DHHS to define six regions comprised of whole contiguous counties that reasonably distribute covered populations
    - PHP will oversee all physical health care, prescription drugs, long-term services and supports, and behavioral health services for NC Health Choice participants
    - The capitated contracts will <u>not</u> include dental services or recipients who are dually eligible for Medicaid and Medicare or services covered by LME/MCOs
- **LME/MCOs continue to manage behavioral health under the 1915(b)(c) waiver for four years after the implementation of a capitated primary health program. Section 4. (9)**,

- DHB will continue to negotiate the PMPM directly with the LME/MCOs for above time period.
- Capitation payments will be made directly to the LME/MCOs by DHB during this time period.

- North Carolina Community Care (NCCCNC) primary care case management to be transitioned to primary care medical home or other care management model that will be utilized by PHP Contracts.
- By January 1, 2021 the Director of the Division of Health Benefits will be appointed by the Governor and confirmed by the General Assembly for a four-year term.

1115 Waiver Region and LME/MCO Region Comparison:

1115 Waiver Region	Counties	LME/MCOs with Counties in Region
Region I	Avery, Buncombe, Burke, Caldwell, Cherokee, Clay, Graham, Haywood, Henderson, Jackson, Macon, Madison, McDowell, Mitchell, Polk, Rutherford, Swain, Transylvania, Yancey	Partners, Smoky Mountain Center
Region II	Alleghany, Ashe, Davidson, Davie, Forsyth, Guilford, Randolph, Rockingham, Stokes, Surry, Watauga, Wilkes, Yadkin	Cardinal Innovations, CenterPoint, Partners, Sandhills, Smoky Mountain Center
Region III	Alexander, Anson, Cabarrus, Catawba, Cleveland, Gaston, Iredell, Lincoln, Mecklenburg, Rowan, Stanly, Union	Cardinal Innovations, Partners, Sandhills, Smoky Mountain Center
Region IV	Alamance*, Caswell, Chatham, Durham, Franklin, Granville, Johnston, Nash, Orange, Person, Vance, Wake, Warren, Wilson	Alliance, Cardinal Innovations, Eastpointe
Region V	Bladen, Brunswick, Columbus, Cumberland, Harnett, Hoke, Lee, Montgomery, Moore, New Hanover, Pender, Richmond, Robeson, Sampson, Scotland	Alliance, Eastpointe, Sandhills, Trillium
Region VI	Beaufort, Bertie, Camden, Carteret, Chowan, Craven, Currituck, Dare, Duplin, Edgecombe, Gates, Greene, Halifax, Hertford, Hyde, Jones, Lenoir, Martin, Northhampton, Onslow, Pamlico, Pasquotank, Perquimans, Pitt, Tyrrell, Washington, Wayne	Cardinal Innovations, Eastpointe, Trillium

*Alamance will be under a separate pilot program.

LME/MCO Region and 1115 Waiver Region Comparison:

LME/MCO	1115 Waiver Regions
Alliance	Region IV, Region V
Cardinal Innovations	Region II, Region III, Region IV, Region IV
CenterPoint	Region II
Eastpointe	Region IV, Region V, Region VI
Partners	Region I, Region II, Region III

Sandhills	Region II, Region III, Region V
Smoky Mountain Center	Region I, Region II, Region III
Trillium	Region V, Region VI

HYPOTHETICAL TIMELINE –ASSUMING CMS APPROVAL ON JANUARY 1, 2018 (per 1115 draft waiver application)

Submit waiver application, June 1, 2016
Draft RFP (including contract), October 2016–January 2018
CMS approval of the 1115, January 1, 2018
Consult with Joint Legislative Oversight Committee on terms and conditions of the RFP, February 2018
RFP issued, March 2018
PHP proposals due, June 2018
PHP awards, September 2018
Readiness reviews, November 2018–June 2019
PHP go live, July 1, 2019

Acronym Glossary:

CP = Commercial Plan
DHB = Division of Health Benefits
DHHS = Department of Health and Human Services
FFS = fee-for-service
FQHC = Federally Qualified Health Centers
HIE = Health Information Exchange
IBHC = Integrated Behavioral Health Care
LTSS = Long-Term Services and Supports
PCCM = Primary Care Case Management
PCHC = Person-Centered Health Community
PCHM = Primary Care Medical Homes
PHP = Prepaid Health Plan
PIHP = Prepaid Inpatient Health Plan
PLE = Provider-Led Entity