NC Legislation Key to Medicaid Transformation

No one would deny that there is a still lot of work to be done to move Medicaid Transformation forward. Last Fall DHHS submitted an 1115 Medicaid waiver application to CMS and provided a tentative timeframe to implement the waiver and move Medicaid, along with other public funds, to a managed system beginning in July 2019. That timeframe hinges on a number of factors, and the most immediate one is reworking the current Medicaid Transformation statute passed by the NC General Assembly in 2015. DHHS has been working hard to obtain consumer and stakeholder feedback and has used these recommendations to develop multiple concept papers. Because of the statutory language on the books, the legislature will have to make a number of changes to the 2015 legislation to continue Medicaid's transformation.

What Legislative Changes are Needed?
Fundamental to the waiver is the creation of two plan categories: the Standard Plan and the BH/I-DD Tailored Plan. In Medicaid Transformation, the Standard Plan integrates primary healthcare with mild-to-moderate behavioral health services and pharmacy services. The BH/I-DD Tailored Plan covers Medicaid recipients who have high MH/I-DD/SUD needs and integrates physical, behavioral health/I-DD and pharmacy services. The Standard Plan is tentatively scheduled to begin in July 2019. According to the waiver application timeline, several commercial and provider-led entities (PLEs) will be identified to be the plan managers prior to that date and a capitation rate will be negotiated before they begin managing Medicaid. NC DHHS has included Medicaid recipients with mild-to-moderate behavioral health needs in the capitation rate for the Standard Plan. Receiving approval to move the mild-to-moderate population into the Standard Plan is the first big legislative hurdle.

There are a number of other important items in the original waiver application requiring legislative action, including:

- Distinguishing the Standard Plan and BH/I-DD Tailored Plan, including statutory changes to the population LME/MCOs currently serve;
- Addressing the timelines in current legislation related to LME/MCO management;
- Reworking the number of Commercial Plans overseeing statewide contracts and making the types of entities more broad for regional coverage, as well as reworking the number of PLEs managing regional contracts;
- Opening up bidding for BH/I-DD Tailored Plans to Commercial Plans;
- Changing the start date for the 1115 Waiver from eighteen months after all waivers are approved by CMS to more immediate start dates.

Could all this be done before the short session? It's possible, since General Assembly went into session in January and technically has not adjourned. If it's to be taken up during the session, legislative rule states that no new legislation can be introduced during a short session, so a bill already in play would need to be used. In that event, it is thought that H. 403 could be used to make these changes. This was the bill to increase oversight of LME/MCOs and during last session, provisions were added to address Medicaid Transformation. Differing versions of H. 403 have passed both the House and the Senate and H. 403 is currently in conference committee. Leaders could use H. 403 to make changes and bring the bill to the floor for a vote.