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NC DHHS Puts More Meat on Medicaid Transformation Bones

By all accounts, there is a lot going on in preparation for moving Medicaid physical healthcare to a managed care model. The General Assembly passed State Law 2018-48, which provided additional direction to NC DHHS on Medicaid Transformation and specifically allowed for the Standard Plan to include the mild-to-moderate behavioral health Medicaid population. NC DHHS has announced that it is in a "Silent Period" on issues related to the Request for Proposals on the Standard Plan "from now through the award of the PHP contracts…to ensure all respondents have a fair and equitable opportunity to submit a proposal to be part of Medicaid Managed Care in North Carolina." The Department further states, "During the silent period, please note that Department employees may not discuss the PHP RFP. However, discussions on other topics may continue to be held as part of the normal course of business. This includes discussions related to issues of interest to DHHS and other health care stakeholders (e.g., the opioid crisis or promoting childhood vaccination), even if those topics may be in some way reflected in the RFP, provided that the discussions do not address the PHP RFP in any way."

Legislation just passed requires DHHS to publish the PHP RFP by August 21, 2018. It is rumored that the RFP may even come out earlier. In the meantime, NC DHHS has provided us with two more papers. One is an update that incorporates the S.L. 2018-48 changes and one is a concept paper. Below is a breakdown of each new paper.

NC Medicaid Managed Care Updates

The updates are based on the passage of S.L. 2018-48 and apply to the Standard Plan ONLY. The paper notes that the legislation now allows for 4 statewide Prepaid Health Plans (PHPs) and up to 12 Provider Led Entities (PLEs) that will also be licensed as PHPs. DHHS has determined that PLEs will be sustainable with 45,000-50,000 covered lives so recommends that PLEs apply for more than one regional contract. Additionally, if a PLE receives a statewide contract, it is not eligible to apply for a regional contract. DHHS will award one regional contract for both Region 1 and Region 6, and two regional contracts for each of Regions 2, 3, 4 and 5. Because there are now four statewide contracts available, DHHS is capping the market share at 40% instead of 50%. PHPs are allowed to contract out Medicaid Managed Care core functions such as member services, provider network management, care management, claims adjudication and risk management. The contracted entity will be evaluated as a part of the RFP process. Each PHP will be responsible for a $5 million performance bond for each region it manages as a means for DHHS to mitigate the State's risk.

Data Strategy to Support the AMH in NC

The Advanced Medical Home (AMH) model is intended for the Standard Plan ONLY. In an earlier concept paper, NC DHHS defines an Advanced Medical Home (AMH) as participating primary care practices and other providers that deliver local care coordination and care management services, population health improvement and quality management functions to Medicaid Managed Care members they serve. There is discussion about having a Behavioral

Health Home under the Tailored Plan, separate from the AMH model. Contracts for the AMH will be between the PHP and each AMH certified organization to serve the population within that PHP's contract. NC DHHS will certify each AMH, and each AMH will undergo an attestation process to determine its Tier. The attestation discussed above will result in the Tier designation of each AMH.

Tier 1: Meets Carolina Access I requirements and will be phased out after two years. Tier 1 AMH receives a $1 PMPM Medical Home Fee. The PHP will have the primary responsibility for care management functions.

Tier 2: Meets Carolina Access II requirements. Tier 2 AMH receives a $2.50 PMPM Medical Home Fee. The PHP will have the primary responsibility for care management functions.

Tier 3: Meets Carolina Access II requirements and select CPC and care management requirements. Tier 3 AMH receives a $2.50 PMPM Medical Home Fee AND a negotiated Care Management Fee. Tier 3 AMH practices will take the lead in organizing and delivering care management services for their Medicaid Managed Care members across all Medicaid PHPs with whom they contract, with care management oversight and support provided by PHPs. It is expected that Tier 3 practices will perform these functions in partnership with third-party partners they will select.

Tier 4: This category will not launch until two years after the implementation of the PHPs. More work will be done in the meantime on requirements and payment. Tier 4 AMH practices will take the lead in organizing and delivering care management services for their Medicaid Managed Care members across all Medicaid PHPs with whom they contract, with care management oversight and support provided by PHPs. It is expected that Tier 4 practices will perform these functions in partnership with third-party partners they will select.

PHP Responsibilities with AMHs in their network:

Share the following data:

- member assignment information
- PHP risk scoring and stratification results
- "Initial Care Needs Screening" information
- common quality measure performance information
- claims or encounter data feeds with Tier 3 and 4 AMH practices.

- Pay "Medical Home Fees" to all AMHs
- Pay an additional "Care Management Fee" to Tier 3 and 4 AMHs

AMH Responsibilities:

- Tier 3 and Tier 4 AMH practices (and their partners) will access and use Admission, Discharge, Transfer (ADT) information (Tier 1 and Tier 2 practices are also strongly encouraged to do so).
- All AMHs should incorporate relevant clinical information (e.g., immunization status, lab results) into their population health and care management processes, and AMHs are encouraged to access information to support opportunities for health from a new NC Resource Platform, which is currently under development.

Responsibilities for Both:

- Data sharing with members

NC DHHS will build upon this data strategy over time. The Department will convene a Managed Care Technology Advisory Group (TAG) after the RFP process is completed, and one subgroup will be focused on the data strategy.

Giving Feedback on the BH/IDD Tailored Plan

Because of the different implementation dates, the BH/IDD Tailored Plan details are not as settled as the Standard Plan. In a Coalition meeting this month, Division of MH/DD/SAS Interim Senior Director Kody Kinsley stated that NC DHHS will likely use the Coalition, the Commission on MH/DD/SAS and the State Consumer and Family Advisory Council to gain feedback on the implementation of the BH/IDD Tailored Plan.