





NORTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES
Division of Health Benefits (NC Medicaid)

North Carolina Medicaid Reform Section 1115 Demonstration Waiver

Post Award Forum

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Background: Section 1115 Demonstrations

Section 1115 of the Social Security Act gives the Secretary of Health and Human Services authority to approve experimental, pilot, or demonstration projects that are likely to further the goals and objectives of the Medicaid program.

- Section 1115 demonstrations provide states additional flexibility to waive certain components of federal Medicaid law and make changes to the way they operate their Medicaid programs
- States have used 1115 waivers to implement a wide range of programmatic changes, including changes to eligibility, benefits, delivery systems, and cost sharing
- Waivers can encompass the entirety of a state's Medicaid program or be tailored to specific sub-populations
- Demonstrations generally must be budget neutral to the federal government, meaning that Medicaid expenditures under the demonstration cannot exceed what expenditures would have been without the demonstration.
- Demonstrations are generally approved for an initial five-year period and can be extended for up to an additional three to five years.

Link to North Carolina's Approved Waiver:

https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/nc/nc-medicaid-reform-ca.pdf

Background: North Carolina 1115 Waiver

The current demonstration is approved from November 1, 2019 through October 31st, 2024 and includes the following key components:

Mandatory Managed Care Program

North Carolina has begun transitioning its Medicaid delivery system to managed care and will offer three different plans, including:

- **Standard Plans** targeted to the majority of the Medicaid population. Standard Plans launched on July 1, 2021 and currently enroll approximately 1.7 million individuals.
- **Behavioral Health Intellectual/Developmental Disability Tailored Plans (BH I/DD Tailored Plans)** targeted to individuals with significant behavioral health needs, an I/DD, or traumatic brain injury (TBI). The BH I/DD Tailored Plans will provide enhanced benefits and care management and are scheduled to launch next year.
- **The Specialized Plan for Children in Foster Care and Formerly in Foster Care** targeted to children and youth in foster care and former foster youth. The Plan will provide enhanced benefits and specialized care management tailored to individuals involved with the child welfare system. It is scheduled to launch in 2023.

Healthy Opportunities Pilots

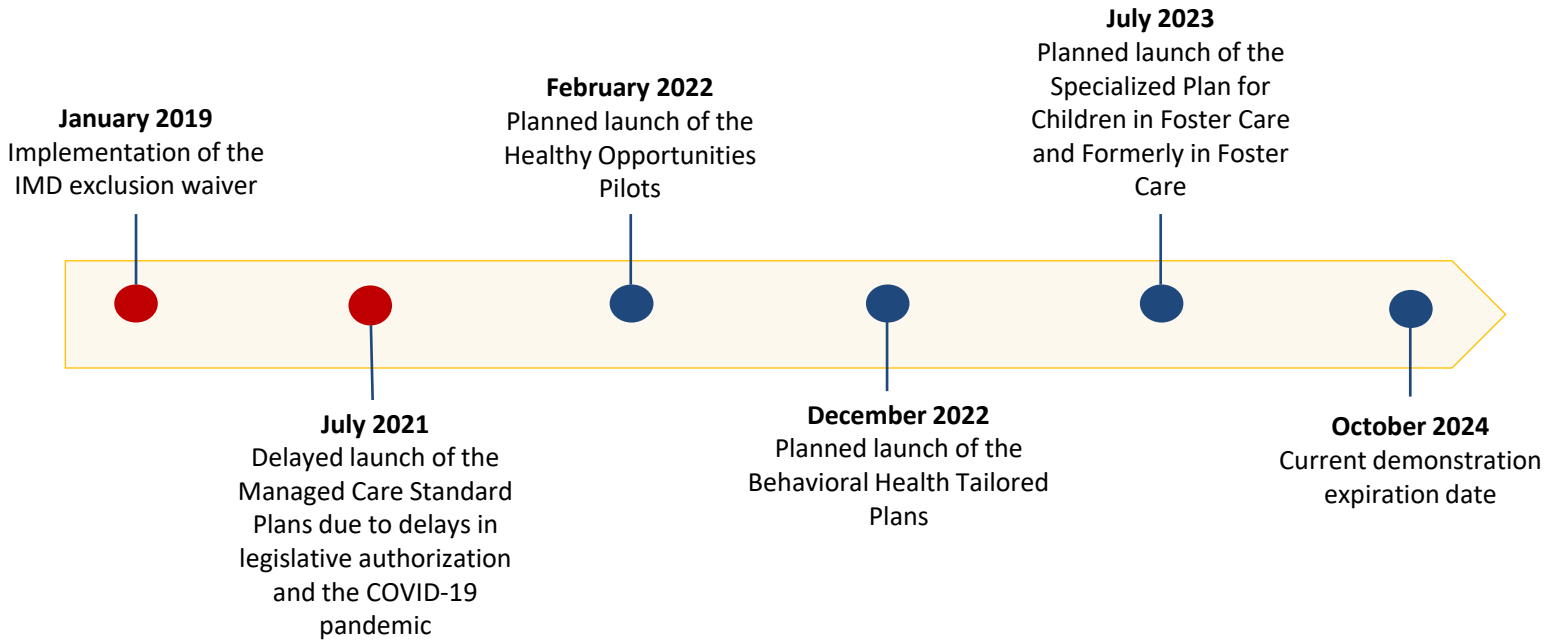
The State will also test the impact of providing select evidence-based, non-medical interventions related to housing, food, transportation and interpersonal safety to high-need Medicaid enrollees. The Pilots are scheduled to launch in early 2022.

OUD/SUD Program

North Carolina received approval to provide a broader range of substance use disorder (SUD) treatment services with the goal of expanding access to the full continuum of SUD care. North Carolina began implementing this component of the demonstration in 2019.

North Carolina 1115 Waiver Timeline

The majority of North Carolina's 1115 demonstration was effective as of November 2019; however, implementation of managed care is just beginning as a result of state budget issues and the COVID-19 pandemic.



Managed Care: Standard Plans

Standard Plans are comprehensive managed care plans that launched in July and now enroll the majority of North Carolina Medicaid enrollees

- Standard Plans **provide comprehensive physical and behavioral health benefits** and whole-person care management for enrollees who are not excluded or exempted from managed care.*
- After a competitive procurement, **North Carolina awarded Standard Plan contracts** to the following health plans in early 2019:
  - AmeriHealth Caritas North Carolina, Inc.
  - Blue Cross and Blue Shield of North Carolina
  - Carolina Complete Health
  - UnitedHealthcare of North Carolina, Inc.
  - WellCare of North Carolina, Inc.
- Standard Plans were **initially scheduled to launch on November 1, 2019; h**owever, **implementation was pushed until July 1, 2021** due to delays in the State budget and the COVID-19 pandemic.
- Beginning in early 2022, eligible individuals in Pilot regions enrolled in Standard Plans **will be able to access Healthy Opportunities Pilot services.**

*Includes individuals who will become eligible for the BH I/DD Tailored Plans or the Specialized Plan for Children in Foster Care

North Carolina Medicaid Enrollment, Nov. 2021	
Standard Plans	1.67 M
Total	2.67 M

Managed Care: BH I/DD Tailored Plans and Specialized Plan for Children in Foster Care and Formerly in Foster Care

North Carolina will launch two specialized managed care products – BH I/DD Tailored Plans and the Specialized Plan for Children in Foster Care and Formerly in Foster Care – in 2022 and 2023, respectively

BH I/DD Tailored Plans

- **Launch date:** December 2022
- **Population:** Individuals with significant behavioral health needs, an I/DD, or TBI
- **Benefits:** Comprehensive physical, behavioral health, I/DD, and TBI benefits; includes 1915(c) HCBS waiver services and additional behavioral health benefits not available through Standard Plans
- **Care Management:** Tailored Care Management – intensive, community-based care management authorized under Medicaid Health Home authority and tailored to the unique needs of the population

Specialized Plan for Children in Foster Care and Formerly in Foster Care

- **Launch date:** July 2023
- **Population:** Children in foster care and adoptive placements and former foster youth
- **Benefits:** Comprehensive physical and behavioral health services
- **Care Management Model:** Specialized care management model targeted to the unique needs of the foster care/adoptive placement/former foster youth population, including close coordination between the Plan and the NC Department of Social Services

BH I/DD Tailored Plan contracts awarded to the following 7 organizations on July 26, 2021:

- Alliance Health
- Eastpointe
- Partners Health Management
- Sandhills Center
- Trillium Health Resources
- Vaya Health*
- Cardinal Innovations Healthcare*

**Announced merger in June 2021*

Healthy Opportunities Pilots

The federal government authorized up to $650 million in state and federal Medicaid funding to provide select, non-medical interventions to high-needs Medicaid enrollees

- Pilot funds will be used to cover the cost of delivering federally-approved Pilot services which include **housing, food, transportation** and **interpersonal safety**
- The Pilots will operate in 3 regions and serve 33 counties (*more information on next slide*)
- A Medicaid enrollee must meet at least one State-defined health risk factor and at least one State-defined social risk factor to receive Pilot services
- Key players:
  - **Pre-Paid Health Plans (PHPs)** are responsible for approving which enrollees qualify for Pilot services and coordinating with care managers
  - **Network Leads (NLs)** will connect PHPs with HSOs and manage a network of HSOs that provide Pilot services
  - **Human Services Organizations (HSOs)** will deliver Pilot services to enrollees
  - **Care managers** will identify enrollees and coordinate services

Health Risk Factors (examples by population):

- Adults – e.g., two or more chronic conditions
- Pregnant women – e.g., multifetal gestation
- Children, age 0-3 – e.g., admitted to neonatal intensive care unit
- Children, age 0-20 – e.g., experiencing three or more adverse childhood experiences

Social Risk Factors:

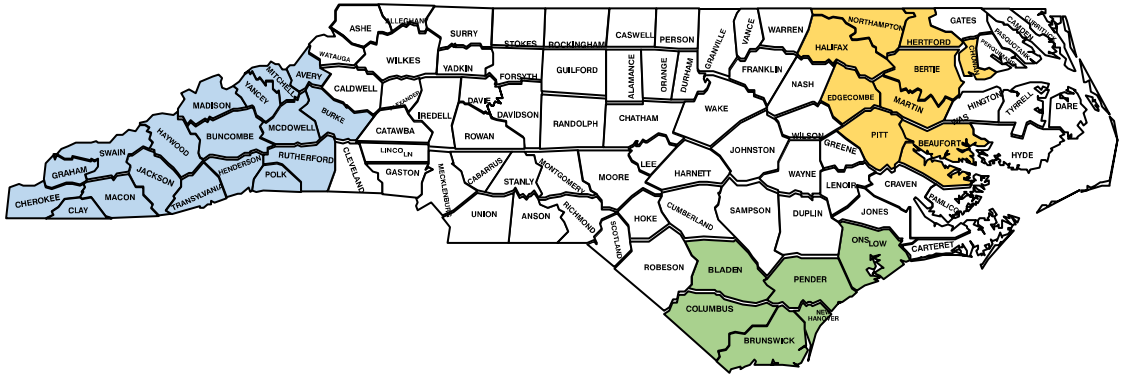
- Homeless and/or housing insecure
- Food insecure
- Lack of transportation
- At risk of, witnessing or experiencing interpersonal violence

Healthy Opportunities Pilots: Progress To-Date

North Carolina has made significant progress to-date on awarding and preparing Network Leads for implementation

Progress To Date

- North Carolina awarded **three NL contracts** in May 2021
- NLs are working closely with and have started **building their networks of HSOs** that will deliver Pilot services.
- Based on COVID-19 experience, **North Carolina is working with NLs to ensure historically underutilized providers are adequately represented** in their networks



Network Leads and Their Regions

Access East, Inc.
Beaufort, Bertie, Chowan, Edgecombe, Halifax, Hertford, Martin, Northampton, Pitt

Community Care of the Lower Cape Fear (CCLCF)
Bladen, Brunswick, Columbus, New Hanover, Onslow, Pender

Impact Health (Dogwood Health Trust)
Avery, Buncombe, Burke, Cherokee, Clay, Graham, Haywood, Henderson, Jackson, Macon, Madison, McDowell, Mitchell, Polk, Rutherford, Swain, Transylvania, Yancey

Healthy Opportunities Pilots: Progress To-Date

North Carolina has also learned from the experience of COVID-19 and engaged with stakeholders to refine the design of the program as it prepares for launch

- North Carolina leveraged the Pilot design to quickly launch the **COVID-19 Support Services Program** in early 2020 to provide support services to individuals requiring isolation and quarantine.
  - The Department is using this experience to inform adjustments to implementation of the Pilots (e.g., making modest adjustments to the fee schedule).
- North Carolina has a robust, **collaborative process for engaging PHPs and NLs** on Pilot design and implementation, including meeting with PHPs bi-weekly since November 2020 and with NLs weekly since award to orient them to and solicit feedback on Pilot design. This iterative process has yielded several, **first-of-their-kind products and design**, including:
  - **Standardized model contracts** that will govern the relationships between PHPs and NLs and NLs and their networks of HSOs
  - **Pilot eligibility and enrollment and referral processes** that leverage trusted relationships with care managers to help bridge the gap between health plans and HSOs to get members “in the door” and connected to appropriate Pilot services
  - Unprecedented, ongoing **collaboration with the interpersonal violence (IPV) community** to build trust and address issues of national importance on the considerations of privacy, security and data exchange in the provision of IPV services within a healthcare context

SUD Demonstration Waiver

North Carolina received a waiver of the so-called "IMD Exclusion"; this supports the state's efforts to expand access to the full continuum of OUD/SUD treatment services

Waiver Authority

- Under federal Medicaid law, **states are generally prohibited from using federal Medicaid funds for care provided to most patients in mental health and SUD residential treatment facilities** larger than 16 beds (known as IMDs)
- As part its 1115 waiver, **North Carolina received authority beginning in 2019 to access federal matching funds for certain OUD/SUD treatment services** delivered through short-term residential and inpatient settings that are considered IMDs.

Programmatic Changes

- Supported by the waiver the IMD exclusion, North Carolina will **significantly expand access to the full continuum of ASAM levels of care** (all benefits are authorized under the State Plan)
  - New benefits include **clinically managed low-intensity residential treatment services, clinically managed population-specific high-intensity residential programs, ambulatory withdrawal management with extended on-site monitoring, and clinically managed residential withdrawal management**
  - **The state also expanded coverage of existing services to adolescents** including clinically managed high-intensity residential services and medically monitored intensive inpatient services
- **The State's SUD Implementation Plan outlines strategies and timelines** for ensuring access to critical levels of care, using evidence-based patient placement criteria, using nationally recognized provider qualifications for residential treatment facilities, and other key implementation milestones

Wrap-up

Questions/comments?

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