

1915 (b)(c) Waiver Expansion: LME/MCO Governance Issues

Joint Legislative Oversight Committee on
Health and Human Services
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Presentation Goals

- Begin Discussion of Potential G.S. 122C Revisions Associated with LME 1915 (b)(c) Implementation
- Provide Background for next session of the General Assembly - LME Governance Provisions of Adjournment Resolution
- Provide Background Information in Anticipation of 2012 Short Session Legislation

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HB 916: System Impacts

- Dramatic change in LME Role -Assume Medicaid Managed Care Organization (MCO) Function
- LMEs Operating in an “at Risk” Environment
- Reshaping LME Community Management
 - LMEs Reduce from 23 to 10 - 12
 - Service Areas: 511,122 to 1,390,537 Population
 - Counties Served: 1 to 19 (7 LMEs will cover 8+ counties)

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HB 916: System Impacts Cont'd

- MCO Success = Specialized skills & Management/Economies of Scale/Flexibility/Oversight
- Need to Maintain Community Connections in Larger Geographic Areas
- LME World Very Different from the “Area Programs” originally envisioned under G.S. 122C.

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CRITICAL QUESTIONS TO BE ADDRESSED

- Does G.S. 122C Provide LMEs with the Tools Necessary To Succeed in an MCO Environment?
- How to Balance the need for LME/MCO flexibility and effectiveness with Community Oversight and Involvement?

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LME G.S. 122C Concerns

Note: Concerns are evolving as LMEs and their Boards struggle with practical implementation issues

- LME Board Issues
 - Size (Given Large # of Counties)
 - Composition Requirements
 - Appointing Authority
 - Selection Process
 - Term Limits vs. Need of experience/expertise
 - Potential Use of LME Board Executive Committee

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LME G.S. 122C Concerns Cont'd

- **Personnel/HR Issues**
 - Limitations on LME Pay Plans
 - Restrictions under State Personnel Act
 - Hiring Process for LME Director

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LME G.S. 122C Concerns Cont'd

- **Financial Management Issues**
 - Local Government Finance Act
 - Fund Balance Restrictions
 - LME's Ability to Own Property/Borrow
- **LME Guardianship Role**
- **County Role in LME Formation/Dissolution**

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LME G.S. 122C Concerns Cont'd

- G.S 122C Vision vs. LME/MCO Business Model
- Need to support Single County MCOs outside of "County Departments"
- HB 916 LME Population Penalties - LME Transition Issues

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Stakeholders in G.S 122C Discussion

- Counties
- LMEs
- DHHS
- Advocacy Groups
- Consumers & Families

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Future Actions

- Preparation of Draft for next Legislative Session: Focus on Board/HR Issues (DHHS Secretary Waiver Option)
- Continued Discussion in Preparation for Short Session G.S. 122C Revision
- Provide LME/MCO with essential “Tools for Success”
- Maintain Oversight, Accountability and Community Involvement