

**JOINT LEGISLATIVE OVERSIGHT COMMITTEE  
ON HEALTH AND HUMAN SERVICES**

# **NC Medicaid Managed Care Prepaid Health Plans Overview**

**Mandy Cohen, MD, MPH**  
**Department of Health and Human Services**  
**Feb. 12, 2019**

# Background

<b>2015</b>	<b>Session Law 2015-245 directs DHHS to transition to managed care</b>
<b>2015-2018</b>	<b>Extensive collaboration with and feedback from stakeholders</b>
<b>August 2018</b>	<b>PHP RFP released</b>
<b>October 2018</b>	<b>CMS approves 1115 waiver</b>
<b>February 2019</b>	<b>PHP selection announced</b>

# Vision for NC Medicaid Managed Care

**“Improving the health and well-being of North Carolinians through an innovative, whole-person centered and well-coordinated system of care that addresses both medical and non-medical drivers of health.”**

# Types of PHPs per S.L. 2015-245

## Commercial Plan (CP)

“Any person, entity, or organization, profit or nonprofit, that undertakes to provide or arrange for the delivery of health care services to enrollees on a prepaid basis except for enrollee responsibility for copayments and deductibles and holds a PHP license issued by the Department of Insurance.”

## Provider-led Entity (PLE)

“Provider led entity or PLE. – An entity that meets all of the following criteria:

1. A majority of the entity's ownership is held by an individual or entity that has as its primary business purpose the ownership or operation of one or more capitated contracts for the delivery of Medicaid and NC Health Choice services or Medicaid and NC Health Choice providers.
2. A majority of the entity's governing body is composed of individuals who (i) are licensed in the State as physicians, physician assistants, nurse practitioners, or psychologists and (ii) have experience treating beneficiaries of the North Carolina Medicaid program.
3. Holds a PHP license issued by the Department of Insurance.”

Section 4.(2) of S.L. 2015-245, as amended by Section 2.(b) of S.L. 2016-121

# PHP RFP Guidelines

**Offerors' could submit proposals:**

- **CPs: statewide only**
- **PLEs: statewide, regional or both**

**Offerors' proposal guidelines**

- **Total of 4 statewide contracts (CP or PLE)**
- **Up to 12 regional contracts (PLE only)**
  - **PLEs encouraged to propose for more than 1 region (contiguous)**
  - **Only 1 regional contract for Regions 1 and 6**
  - **Up to 2 regional contracts for Regions 2, 3, 4 and 5**

Section 4.(6) of S.L. 2015-245, as amended by S.L. 2018-48 and PHP RFP II.A.6-8

# PHP Evaluation and Selection Process

- RFP issued Aug. 9, 2018; responses opened Oct. 12, 2018
- Department Procurement & Contracts section reviewed proposals for completeness per RFP requirements
- Over several months, Evaluation Committee of Department professionals:
  - Screened proposals for minimum qualifications outlined in RFP
  - Reviewed proposals and developed consensus scoring
  - Used scoring to develop award selections

# PHP Contracts

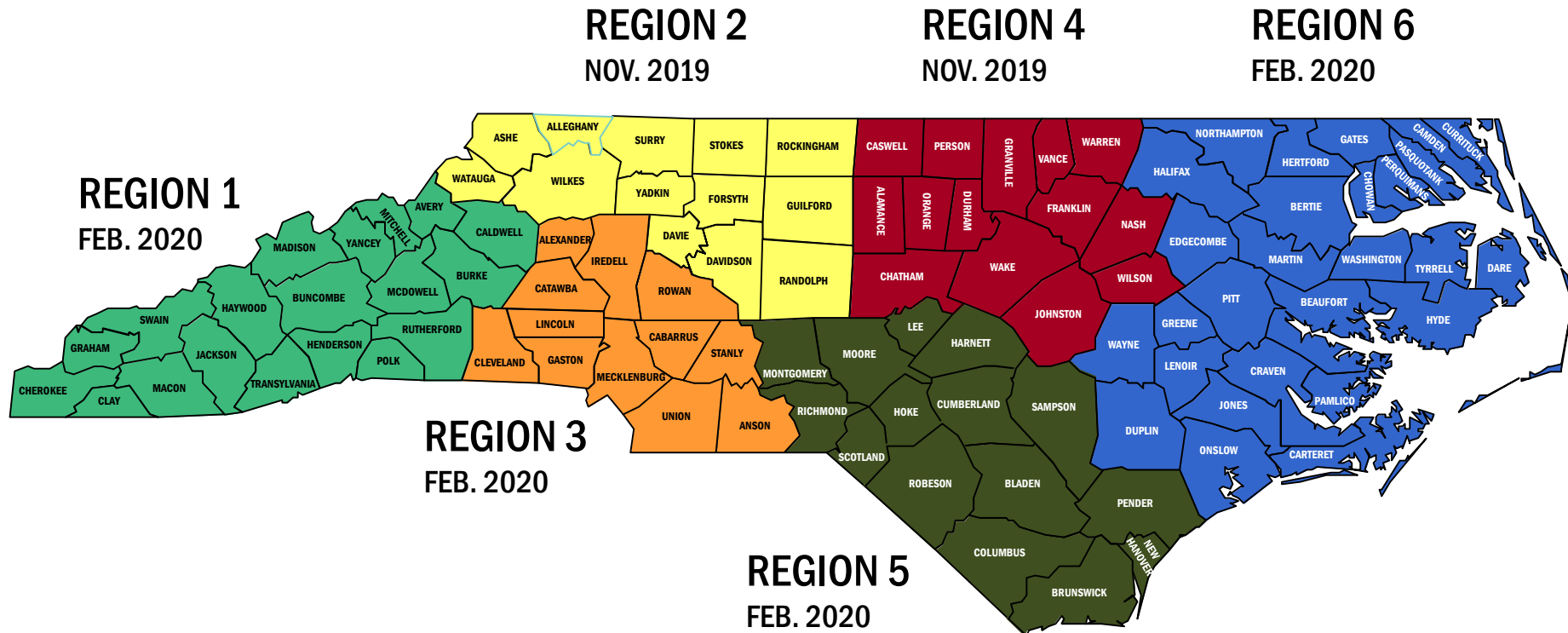
- Prepaid Health Plans will manage care for 1.6 million Medicaid beneficiaries, delivered by providers in PHP networks
- Contracts are for Standard Plans; Behavioral Health I/DD Tailored Plans will be procured later

## PHP Contract Term\*

Implementation period	Contract award through Oct. 31, 2019
Contract Year 1	
• Phase 1	Nov. 1, 2019 through June 30, 2020
• Phase 2	Feb. 1, 2020 through June 30, 2020
Contract Year 2	July 1, 2020 through June 30, 2021
Contract Year 3	July 1, 2021 through June 30, 2022

\* Option to extend for two additional 1 year terms beyond Contract Year 3.

# NC Medicaid Managed Care Regions and Rollout Dates



Rollout Phase 1: Nov. 2019 – Regions 2 and 4

Rollout Phase 2: Feb. 2020 – Regions 1, 3, 5 and 6



# PHPs for NC Medicaid Managed Care

## Four statewide PHP contracts


- AmeriHealth Caritas North Carolina, Inc.
- Blue Cross and Blue Shield of North Carolina, Inc.
- UnitedHealthcare of North Carolina, Inc.
- WellCare of North Carolina, Inc.

## One regional provider-led entity

- Carolina Complete Health, Inc.
- Regions 3 and 5

# Evaluation Scoring

TOTAL SCORE RANK	OFFEROR	PROPOSAL AREA		WEIGHTED TOTAL SCORE
		STATEWIDE	REGIONAL	
1	WellCare of North Carolina, Inc.	X		736.19
2	UnitedHealthcare of North Carolina, Inc.	X		727.76
3	Blue Cross Blue Shield of North Carolina	X		712.22
4	AmeriHealth Caritas North Carolina, Inc.	X		706.66
5	Aetna Better Health of North Carolina, Inc.	X		704.60
6	My Health by Health Providers	X		629.71
7	Carolina Complete Health, Inc.	X	X	628.39
8	Optima Family Care of North Carolina, Inc.		X	573.48

Threshold to meet expectations 

Total Possible Score: 1,025

Total Possible Score if All Scores Meet Expectations: 615

# Department Oversight

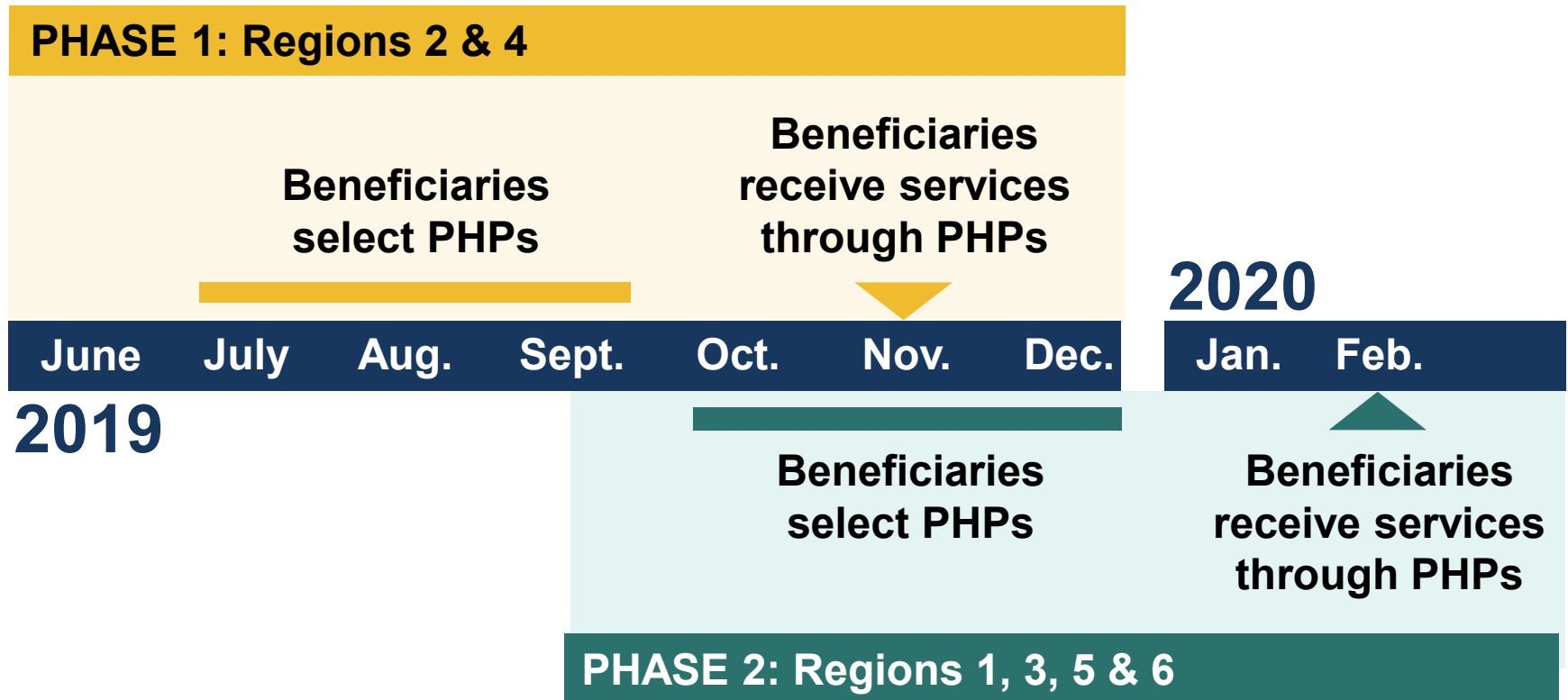
**All plans will be subject to rigorous oversight by DHHS to ensure a successful managed care program.**

- DHHS leading intensive onboarding through the end of February, including introducing key staff, reviewing contract requirements and aligning on key milestones and deadlines**
- Will need to pass a Readiness Review before Medicaid Managed Care launch**
- Inability to fulfill contract provisions can result in corrective action plans, financial penalties and other sanctions**

# Readiness Review

- Readiness Review is required by law when a state launches a new managed care program
- Evaluates PHPs' understanding and incorporation of federal and North Carolina Medicaid requirements into daily processes, and PHPs' capability and capacity to meet these requirements
- Must assess ability and capacity of PHPs to perform satisfactorily across 14 distinct areas that support a smooth transition to managed care

# What Beneficiaries Can Expect Next



PHP selection assistance

PHP call centers operational

# Beneficiary Transition

- Only thing beneficiaries need to do now is update their contract information through their local DSS office
- Help will be available for beneficiaries to select a plan based on what makes the most sense for them
- Beneficiary rights will be protected
- Many provisions will remain the same
  - Eligibility rules
  - Covered services/treatments/supplies
  - Cost-sharing

# What Providers Can Expect Next

- Presentations at stakeholder and association meetings
- Provider/PHP meet and greet sessions
- Information (e.g., fact sheets, FAQs)
- Training (webinars and web-based resources)
- Virtual office hours
- Practice-level technical assistance
- Feedback opportunities

# Provider Transition

Across all PHPs:

- Standardized and simplified administrative processes
- Centralized and streamlined provider enrollment and credentialing process
- Transparent and fair payments to providers
- Single statewide drug formulary
- Same services covered as Medicaid Fee for Service (except carve outs)
- DHHS definition of “medical necessity” used when making coverage decisions
- Contracting “guardrails”



# Commitment to Transparency and Collaboration

- DHHS webcasts
- Policy papers
- Transformation news, updates and documents:  
[www.ncdhhs.gov/medicaid-transformation](http://www.ncdhhs.gov/medicaid-transformation)
- Feedback and questions
  - PHP procurement:  
[Medicaid.Procurement@dhhs.nc.gov](mailto:Medicaid.Procurement@dhhs.nc.gov)
  - Managed care and Medicaid transformation:  
[Medicaid.Transformation@dhhs.nc.gov](mailto:Medicaid.Transformation@dhhs.nc.gov)