



JOINT APPROPRIATIONS COMMITTEE
ON HEALTH AND HUMAN SERVICES

NC Department of Health and Human Services

Medicaid Transformation: Tailored Plan Update

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Secretary**

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Tailored plans modernize existing managed care and serve individuals with complex care needs.

- Tailored Plans modernized six existing managed care organizations (LME/MCOs) to integrate physical and behavioral health care for Medicaid beneficiaries with **complex mental health, substance use, or I/DD and TBI needs**
 - Currently, these individuals received physical health services **fee-for-service**, and behavioral health and I/DD services from **LME/MCOs**
- Plans will serve **143,000 people with complex care needs.**
 - By definition, all members have specialized requirements for BH/IDD.
 - Additionally:
 - 16% of individuals have >4 chronic physical health conditions.
 - 27% had 2 or more non-behavioral health ED visits in prior 18 months
 - 48% receive some behavioral health services in their primary care home
- They will provide the same services as Standard Plans and **will provide additional specialized services** for this population that are not covered in Standard Plans

To ensure health and safety of beneficiaries, we're delaying launch until October 1.

- **Our priority has always been ensuring a smooth transition** to Tailored Plans for the people they will serve. That means on Day 1, people get care and get prescriptions, and their providers get paid.
- Because Tailored Plans will serve a medically complex population with specialized care needs, there is **increased need to minimize disruption of care.**
- While the LME/MCOs have made significant progress, **they aren't yet consistently where they need to be statewide** to achieve that goal.
- To make sure that people can seamlessly receive care on day 1, **we are delaying the launch of Tailored Plans until October 1.**

There are three key issues driving the delay.

1. 20,000 to 30,000 of the Tailored Plans members would **not have their current primary care provider in network.**
 - Members would be assigned PCPs with whom they had no care relationship
 - Members might be assigned to PCPs more than 45 min/30 miles away
 - Because whole systems have not contracted, extended care teams for specialty care would likely be out of reach.
 - Members would likely have trouble scheduling non-emergency medical transport.
2. Latest Department **operational system testing showed variation** across plans.
 - Members could likely experience difficulty filling prescriptions on Day 1
 - Providers and Pharmacists would likely experience invalid denials or issues submitting claims
 - Providers and Pharmacists would likely have difficulty getting paid in a timely way
3. While the Department has and can employ several mitigation strategies, we have **insufficient legal tools if a single plan were to fail.** If all can't go live, none can go live.

NCDHHS & LME/MCOs have made significant investments of resources for readiness, including mitigation strategies.

- This builds on **extensive preparation efforts**:
 - Extensive claims demonstration testing
 - 3,300 criteria reviewed and 134 on-site readiness reviews.
 - 1,600 tailored plan policies created and reviewed.
- The Department has considered **several policy strategies** to lessen the risk of harm, but they aren't sufficient to overcome risks.
 - Allowing out of network billing; no guarantee providers will participate.
 - Relax and extend existing medical and pharmacy prior authorizations.
 - Flexibility for members to change PCPs while additional contracting is underway
- The Department and LME/MCOs worked to **prepare additional resources to reduce risk**.
 - Clinical and payment escalation procedures: provider/beneficiary hotlines, etc.
 - Deployment of state resources to manage operational systems.

Key modernization and integration efforts already moved forward.

- **Tailored Care Management (TCM)**
 - Beneficiaries will have a designated care manager with a multidisciplinary care team to provide **whole-person care management** that addresses physical health, behavioral health, I/DD, traumatic brain injuries (TBI), pharmacy, long-term services and supports (LTSS) and unmet health-related resource needs
 - TCM began rollout on December 1 and continues to expand
 - TCM providers contract with the LME/MCO for assignment and payment
 - Members are assigned to a TCM provider or to the LME/MCO for TCM
 - Members have choice if they prefer a specific provider
 - 71 Tailored Care Management providers certified by DHHS
- **1915i Services (pending CMS approval)**
 - On path to launch 1915i services, which are **key to those living with disabilities.**
 - Services: Community Transition, Respite, Community Living and Support, Supported Employment, Other services to support those with a primary diagnosis of mental illness or substance use disorders.

Appendix

Stakeholder Experience on Day 1

	Experience	Alliance	Eastpointe	Partners
MEMBER	Projected TP Enrollment	Approximately 35,200 members	Approximately 13,400 members	Approximately 27,100 members
	PCP Choice, Assignment, & Mailings	<ul style="list-style-type: none"> ~11,000 members unable to select their historical primary care provider. Due to inadequate PCP network, members might be assigned to PCPs more than 45 min/30 miles away 	<ul style="list-style-type: none"> ~2,300 members unable to select their historical primary care provider. Due to inadequate PCP network, members might be assigned to PCPs more than 45 min/30 miles away 	<ul style="list-style-type: none"> ~8,600 members unable to select their historical primary care provider. Due to inadequate PCP network, members might be assigned to PCPs more than 45 min/30 miles away
	NEMT Service Line and NEMT Outreach	<ul style="list-style-type: none"> Expecting no issues, members can schedule NEMT in reasonable time 	<ul style="list-style-type: none"> Expecting issues, many members would have trouble scheduling NEMT due to lack of contracted providers 	<ul style="list-style-type: none"> Expecting mild issues, some members would have troubling scheduling NEMT due to lack of contracted providers
PROVIDER	PCP Panel Management	<ul style="list-style-type: none"> Primary Care Providers will see ~11,000 new members assigned to them. 	<ul style="list-style-type: none"> Primary Care Providers will see ~2,300 new members assigned to them. 	<ul style="list-style-type: none"> Primary Care Providers will see ~8,600 new members being assigned to them.
	Provider Payments and Authorizations	<ul style="list-style-type: none"> No claim submission issues identified. Based on testing, some providers may experience invalid denials 	<ul style="list-style-type: none"> Only one minor issue with claims submission, which is being corrected Based on testing, some providers may experience reduce payments 	<ul style="list-style-type: none"> Expecting some issues, claims approach has changed, has not been fully tested Based on testing, some providers may experience invalid denials
	Pharmacy Point of Sale	<ul style="list-style-type: none"> Pharmacists will likely get paid on time. 	<ul style="list-style-type: none"> Pharmacists will have difficulty getting paid 	<ul style="list-style-type: none"> Pharmacists may not get paid on time..

*As of February 20, 2023

Stakeholder Experience on Day 1

Experience	Sandhills	Trillium	Vaya
MEMBER			
Projected TP Enrollment	Approximately 19,100 members	Approximately 24,500 members	Approximately 24,400 members
PCP Choice, Assignment, & Mailings	<ul style="list-style-type: none"> ~5,000 members unable to select their historical primary care provider. Due to inadequate PCP network, members might be assigned to PCPs more than 45 min/30 miles away 	<ul style="list-style-type: none"> ~4,300 members unable to select their historical primary care provider. Due to inadequate PCP network, members might be assigned to PCPs more than 45 min/30 miles away 	<ul style="list-style-type: none"> ~4,400 members unable to select their historical primary care provider. Due to inadequate PCP network, members might be assigned to PCPs more than 45 min/30 miles away
NEMT Service Line and NEMT Outreach	<ul style="list-style-type: none"> Expecting moderate issues, some members would have trouble scheduling NEMT due to lack of contracted providers 	<ul style="list-style-type: none"> Expecting moderate issues, some members would have trouble scheduling NEMT due to lack of contracted providers 	<ul style="list-style-type: none"> Expecting moderate issues, some members would have troubling scheduling NEMT due to lack of contracted providers
PROVIDER			
PCP Panel Management	<ul style="list-style-type: none"> Primary Care Providers will see ~5,000 new members being assigned to them. 	<ul style="list-style-type: none"> Primary Care Providers will see ~4,300 new members being assigned to them. 	<ul style="list-style-type: none"> Primary Care Providers will see ~4,400 new members being assigned to them.
Provider Payments and Authorizations	<ul style="list-style-type: none"> Expecting significant issues. Only plan that has not started portal claims testing Provider are likely to experience high volume of invalid claim denials. 	<ul style="list-style-type: none"> Expecting moderate issues; claims testing is behind schedule, low pass rate Providers may experience invalid denials or underpayment 	<ul style="list-style-type: none"> Expecting no significant issues with claims submission. Some providers may experience invalid denials or underpayments.
Pharmacy Point of Sale	<ul style="list-style-type: none"> Pharmacists will likely get paid on time. 	<ul style="list-style-type: none"> Expecting mild issues but pharmacies will likely get paid on time 	<ul style="list-style-type: none"> Pharmacists will likely get paid on time.

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