Are you a clinician who sees North Carolina Medicaid patients?

NC Medicaid

11 Things You Need to Know about North Carolina's Move to Managed Care for Medicaid and NC Health Choice

North Carolina Medicaid and NC Health Choice programs are transitioning from a state-administered fee-for-service structure to a managed care health insurance model. In managed care, the NC Department for Health and Human Services (DHHS) will have responsibility and oversight for all aspects of the Medicaid and NC Health Choice programs. However, DHHS will delegate the direct management of certain health services and financial risks to Prepaid Health Plans (PHPs), which will contract with care providers to deliver services to Medicaid Managed Care enrollees. The first phase of Medicaid Managed Care will start in November 2019.

Clinician participation is essential for delivering high-quality care to Medicaid beneficiaries. In Medicaid Managed Care, clinicians will contract directly with PHPs to receive reimbursement from PHPs for treatment and services provided to those enrolled in Medicaid Managed Care. Signing a contract with a PHP means you agree to its contract terms, policies and procedures for health care delivery to Medicaid managed care enrollees. Here is what you need to know:

1. **PHPS CANNOT REFUSE TO CONTRACT WITH YOU.** PHPs are required to contract with "any willing provider." This means PHPs are prohibited from excluding Medicaid providers from their networks unless the provider refuses to accept the PHP's rates or does not meet the PHP's quality standards.
2. **PHYSICIANS AND PHYSICIAN EXTENDERS ARE GUARANTEED PAYMENT AT CURRENT RATES.** PHPs will be required to pay in-network primary care, and specialist physicians and extenders at least 100 percent of Medicaid Fee-for-Service inpatient and outpatient rates. This is called a "rate floor." PHPs and clinicians can also mutually agree to a different rate or an alternative payment arrangement.
3. **WE HAVE WORKED TO MITIGATE ADMINISTRATIVE BURDEN FOR CLINICIANS.** PHPs will be subject to requirements designed to ease clinician administrative burden, including:
    - Standardizing and simplifying processes and standards across PHPs wherever appropriate
    - Incorporating a centralized, streamlined enrollment and credentialing process
    - Ensuring transparent payments for PHPs and fair contracting and payments for clinicians
    - Standardizing quality measures across PHPs
    - Using standard prior authorization forms
    - Establishing a single statewide preferred drug list that all PHPs will be required to utilize.
    - Covering the same services as Medicaid Fee-for-Service (except select services carved out of managed care)
    - Requiring PHPs to use DHHS' definition of "medical necessity" when making coverage decisions
4. **PHPS WILL HAVE REAL ACCOUNTABILITY AND RIGOROUS OVERSIGHT.** All PHPs will be subject to rigorous DHHS oversight to ensure strong networks, high program quality, and other aspects of a successful managed care program. To ensure that PHPs are held accountable for quality and outcomes, DHHS has developed a data-driven, outcomes-based quality improvement strategy that requires PHPs to meet relevant targets and benchmarks to improve care delivery, support healthy people and communities, and pay for value.
5. **YOU WILL RECEIVE EDUCATION AND SUPPORT DURING AND AFTER THE TRANSITION TO MANAGED CARE.** To ensure clinicians are ready for managed care, DHHS will ensure access to education and training. You will receive more guidance and information from DHHS on the transition to managed care soon. In the meantime, you can send an email to Medicaid.Transformation@dhhs.nc.gov with any questions or concerns.
6. **THERE WILL BE A CONTINUED FOCUS ON HIGH-QUALITY, LOCAL CARE MANAGEMENT.** PHPs will be accountable for ensuring that appropriate care management is provided locally to improve outcomes related to access to care, quality of care, care coordination, resource

needs, service utilization and decreased total costs. PHPs will be required to ensure that the majority of care management is delivered locally, and must ensure that each beneficiary has an ongoing source of care appropriate to individual needs.

7. **THERE WILL BE AN ADDITIONAL FOCUS ON ADDRESSING PATIENTS' UNDERLYING DRIVERS OF HEALTH.** Research shows that overall health is driven by many things outside the four walls of a hospital or clinic. The PHPs will be accountable for screening for unmet health-related resource needs and navigating patients to community resources to address those needs, with a particular focus in the domains of food, housing, transportation, employment and interpersonal violence.

8. **ADVANCED MEDICAL HOMES (AMH) WILL PROMOTE INNOVATION.** North Carolina's new AMH program will build on what works and the state's investments in primary care and high-quality, local care management. AMH Tiers 3 and 4 will allow a practice to have a local and consistent care management platform across all PHPs. The AMH program keeps the current Carolina ACCESS program payments to practices while also introducing new performance incentives to allow practices to become more focused on cost and quality outcomes over time by aligning payments for practices to specified outcome and cost measures. The AMH model also includes additional funding for local care management and creates incentives for quality outcomes.

9. **CLINICIANS WILL BE ABLE TO RAISE AND RESOLVE DISPUTES WITH PHPS.** PHPs must have processes for clinicians to bring issues to the PHP, including a formal appeals process for clinicians to challenge specific PHP decisions. An Ombudsman Program will be available to assist clinicians throughout the appeals and grievances process.

10. **SOME POPULATIONS WILL CONTINUE IN MEDICAID FEE-FOR-SERVICE.** Most, but not all, beneficiaries will be in managed care. More than 90 percent of enrollees will ultimately be in managed care, but many will be phased in over the next few years and some will remain in Medicaid Fee-for-Service. You do not need to contract with a PHP to receive reimbursement for patients remaining in Medicaid Fee-for-Service; you just need to be an enrolled Medicaid provider.

11. **HEALTH PLANS MAY ALREADY BE TRYING TO CONTRACT WITH YOU.** Health plans intending to submit a proposal to be part of Medicaid Managed Care are already initiating discussions with clinicians regarding contracting opportunities. Building networks is a standard business operation for health plans. It is important to note, however, that DHHS has not yet awarded any PHP contracts. It may be premature to sign contracts with health plans before DHHS completes the PHP RFP procurement process and announces which health plans will be awarded the opportunity to become a Medicaid Managed Care PHP. During conversations between health plans and clinicians, however, both parties are encouraged to discuss topics such as:

    - How the health plan envisions working with clinicians to help improve patient quality care
    - How the plan envisions working with patients and communities to address unmet resource needs (e.g. food and housing)
    - Rates of reimbursement for services and/or opportunities for alternative payment arrangements (e.g., pay-for-performance, value-based payments)
    - Reporting requirements
    - Dispute resolution
    - Data tools and other resources that will be available
    - Prior authorization and timely filing requirements
    - Contract renewal and termination timeframes

ANTICIPATED TIMELINE

- **NOW AND ONGOING.** PHPs may start to reach out to initiate contract discussions with clinicians.
- **FEBRUARY 2019.** DHHS will announce which health plans will be PHPs in managed care
- **SUMMER 2019.** PHPs must have contracted with enough care providers to meet DHHS network standards
- **JULY 2019.** PHPs must have all call centers operational and all relevant staff located in North Carolina
- **JULY-SEPTEMBER 2019.** Managed care will start in two phases. For regions of the state in Phase 1, this will be the window in which beneficiaries select a PHP.
- **NOVEMBER 2019.** Medicaid Managed Care program will launch in regions in Phase 1.
- **OCTOBER-DECEMBER 2019.** For regions of the state in Phase 2, this will be the window in which beneficiaries select a PHP.
- **FEBRUARY 2020.** Medicaid Managed Care will launch in regions in Phase 2.