

NC Medicaid Managed Care Prepaid Health Plan Contract Awards

NC Medicaid

Fact Sheet

Today, the North Carolina Department of Health and Human Services (the Department) announced the entities who have received contracts to participate as Prepaid Health Plans (PHPs) in Medicaid Managed Care when the program launches in November 2019. PHPs were selected based on a thorough and fair evaluation of responses submitted to the Request for Proposal (RFP) released by the Department in August 2018.

BACKGROUND

In 2015, the NC General Assembly enacted Session Law 2015-245, directing the transition of Medicaid from a predominantly fee-for-service structure to managed care. In managed care, the Department will remain responsible for all aspects of the Medicaid and NC Health Choice programs. The Department will delegate the direct management of certain health services and financial risks to PHPs, which will contract with care providers to deliver services to their members.

From 2015 to 2018, extensive collaboration and feedback from stakeholders shaped a detailed program for Medicaid Managed Care that is innovative, consistent with North Carolina and federal laws, and responsive to the needs of the beneficiaries, as well as clinicians, hospitals and health plans. In October 2018, North Carolina received federal approval from the Center for Medicare & Medicaid Services (CMS) to transition to Medicaid managed care and make other changes related to Medicaid Transformation.

RFP EVALUATION PROCESS

This is the largest procurement in Department history. The selected PHPs will provide managed care services to most Medicaid and NC Health Choice beneficiaries. The RFP clearly communicated the Department's requirements and defined the standards that PHPs must adhere to in contracting with the Department.

The Department selected PHPs, using a competitive procurement process, started with issuing an RFP for

Medicaid Managed Care Prepaid Health Plans on Aug. 9, 2018. The Department opened proposals from potential PHPs on Oct. 12, 2018. The Department's Medicaid Procurement and Contracts section first reviewed proposals to determine that they were in the proper form and included all required documents, as described in the RFP.

An Evaluation Committee was formed, consisting of Department Medicaid employees. The Evaluation Committee first screened the proposals and determined if minimum qualifications outlined in the RFP were met. Then, over the next four months, the Evaluation Committee reviewed those proposals and developed an award recommendation based on the methodology described in the RFP.

The Department will submit the contracts to CMS for its approval.

SELECTED PREPAID HEALTH PLANS

Statewide PHP contracts were awarded to the following entities, which will offer Standard Plans in all regions in North Carolina:

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

A regional PHP contract was awarded to Carolina Complete Health, a provider-led entity, which will offer plans in Regions 3 and 5 (see page 3 for information about regions).

AN IMPORTANT NOTE ON PHP SELECTION

The Evaluation Committee recommended the selection of four statewide PHPs and no regional PHPs. The Department accepted the committee's recommended four statewide PHPs, and also selected one Provider-Led Entity in regions 3 and 5 to ensure consistency with the intent of S.L. 2015-245, the authorizing legislation for Medicaid managed care.

Three Provider-Led Entities responded to the RFP. Only two of these, however, submitted an offer for a regional contract award. Of these, only Carolina Complete Health's total score achieved the threshold to meet overall expectations.

All PHPs will be subject to rigorous oversight by the Department to ensure strong provider networks, a full range of benefits, accountability for quality and outcomes, a positive beneficiary experience and timely payments to providers, among other aspects of a successful managed care program.

Edgecombe, Gates, Greene, Halifax, Hertford, Hyde, Jones, Lenoir, Martin, Northampton, Onslow, Pamlico, Pasquotank, Perquimans, Pitt, Tyrrell, Washington, and Wayne counties.

IMPORTANT UPCOMING DATES

The Department will provide updates about the progress toward implementing Medicaid Managed Care.

- Health care providers will review which PHPs were awarded and hold contract discussions with the PHPs.
- The Department will work with the PHPs to prepare for the launch of NC Medicaid Managed Care, including system and operational readiness and compliance with contract provisions.
- NC Medicaid beneficiaries will begin receiving information in the mail about managed care, the health plan options available to them and how to enroll in the plan they want. Eligible beneficiaries will receive a welcome packet with information about selecting a PHP.

TIMING OF MEDICAID MANAGED CARE LAUNCH

About 1.6 million Medicaid and NC Health Choice beneficiaries will enroll in a Standard Plan, which will provide integrated physical health, behavioral health and pharmaceutical services. To ease the transition to Medicaid Managed Care, Standard Plans will launch in two phases.

In Regions 2 and 4, Medicaid Managed Care will launch in November 2019:

- **Region 2:** Alleghany, Ashe, Davidson, Davie, Forsyth, Guilford, Randolph, Rockingham, Stokes, Surry, Watauga, Wilkes, and Yadkin counties.
- **Region 4:** Alamance, Caswell, Chatham, Durham, Franklin, Granville, Johnston, Nash, Orange, Person, Vance, Wake, Warren, and Wilson counties.

In all other regions, Medicaid Managed Care will launch in February 2020:

- **Region 1:** Avery, Buncombe, Burke, Caldwell, Cherokee, Clay, Graham, Haywood, Henderson, Jackson, Macon, Madison, McDowell, Mitchell, Polk, Rutherford, Swain, Transylvania, and Yancey counties.
- **Region 3:** Alexander, Anson, Cabarrus, Catawba, Cleveland, Gaston, Iredell, Lincoln, Mecklenburg, Rowan, Stanly, and Union counties.
- **Region 5:** Bladen, Brunswick, Columbus, Cumberland, Harnett, Hoke, Lee, Montgomery, Moore, New Hanover, Pender, Richmond, Robeson, Sampson, and Scotland counties.
- **Region 6:** Beaufort, Bertie, Camden, Carteret, Chowan, Craven, Currituck, Dare, Duplin,

Below are important activities which will occur as the Department and the PHPs prepare for Medicaid managed care:

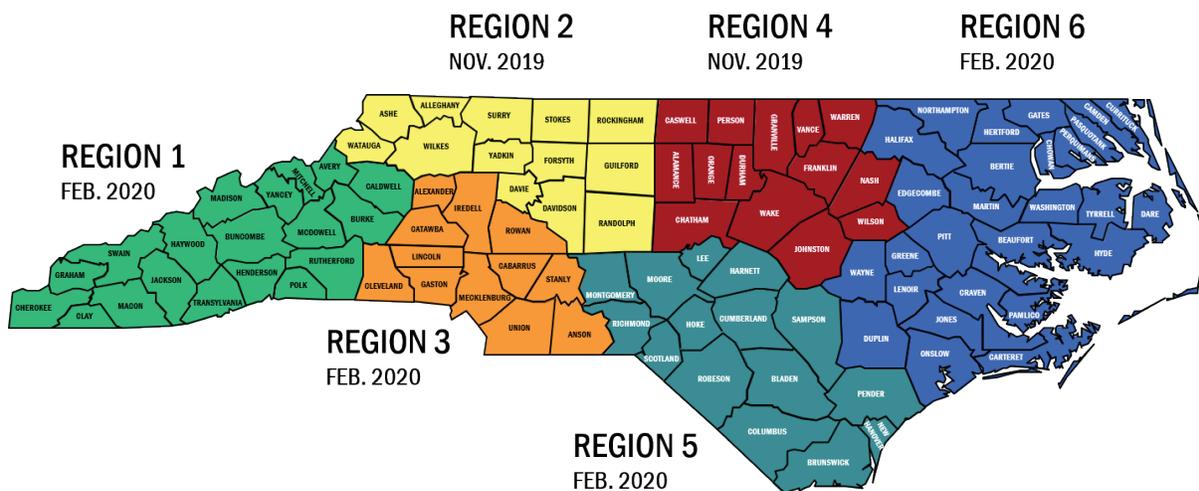
Summer 2019. Each PHP has contracted with many care providers as it builds its network to meet Department standards.

July 2019. Enrollment Broker must have its call center operational and relevant staff located in North Carolina.

July-September 2019. Managed care will start in two phases. For regions in Phase 1, this will be the window in which beneficiaries select a PHP.

September 2019. Beneficiaries who do not select a PHP will have one automatically assigned to them, based on the Department's auto-assignment algorithm.

NC MEDICAID MANAGED CARE REGIONS



September-October 2019. Beneficiaries will receive a welcome packet and identification care from their selected or assigned PHP. The PHP will receive transition of care information from the Department to support continuity of care and care management.

November 2019. NC Medicaid Managed Care Phase 1 will launch. Beneficiaries in Regions 2 and 4 will begin to receive services through their PHPs.

October-December 2019. For regions in Phase 2, this will be the window in which beneficiaries select a PHP.

February 2020. NC Medicaid Managed Care Phase 2 will launch. Beneficiaries in the remaining four Regions will begin receiving services through their PHPs.

MORE INFORMATION

For more information on North Carolina Medicaid Managed Care, visit the Medicaid Transformation website at ncdhhs.gov/medicaid-transformation.

