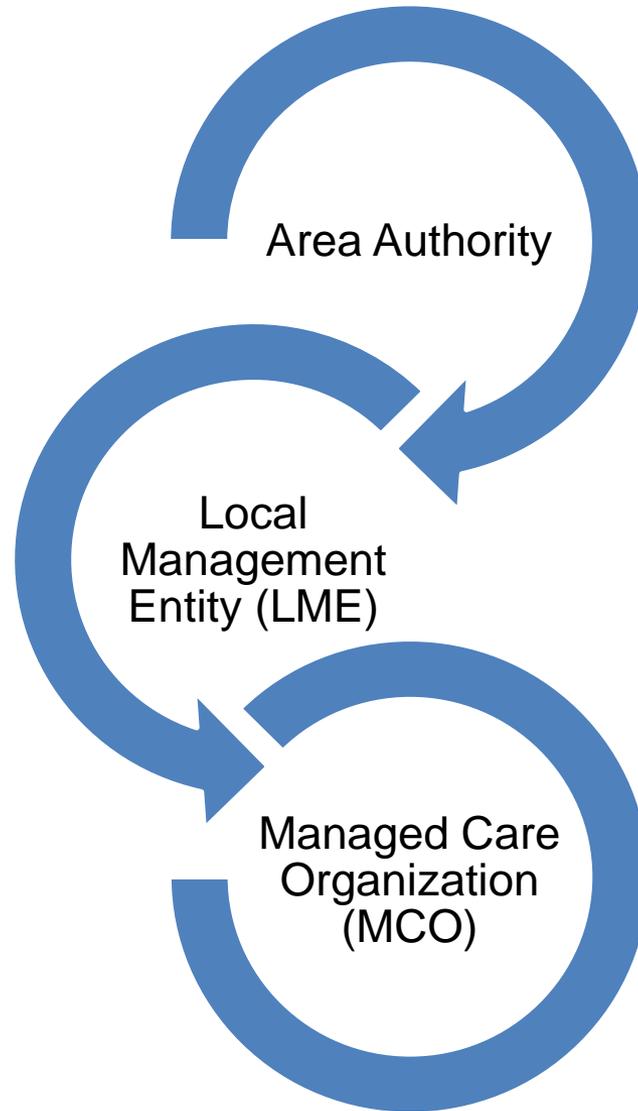




Mark F. Botts

MENTAL HEALTH, DEVELOPMENTAL DISABILITIES, AND SUBSTANCE ABUSE SERVICES

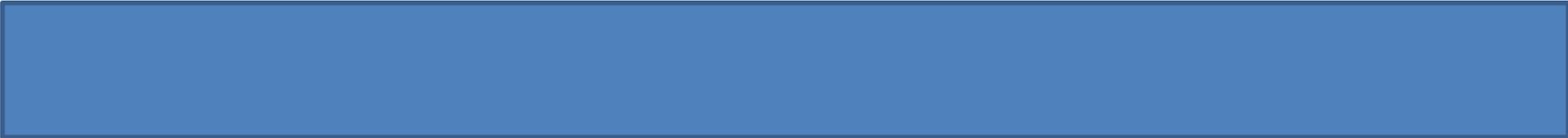
Terminology



S.L. 2013-85 (Senate Bill 208)

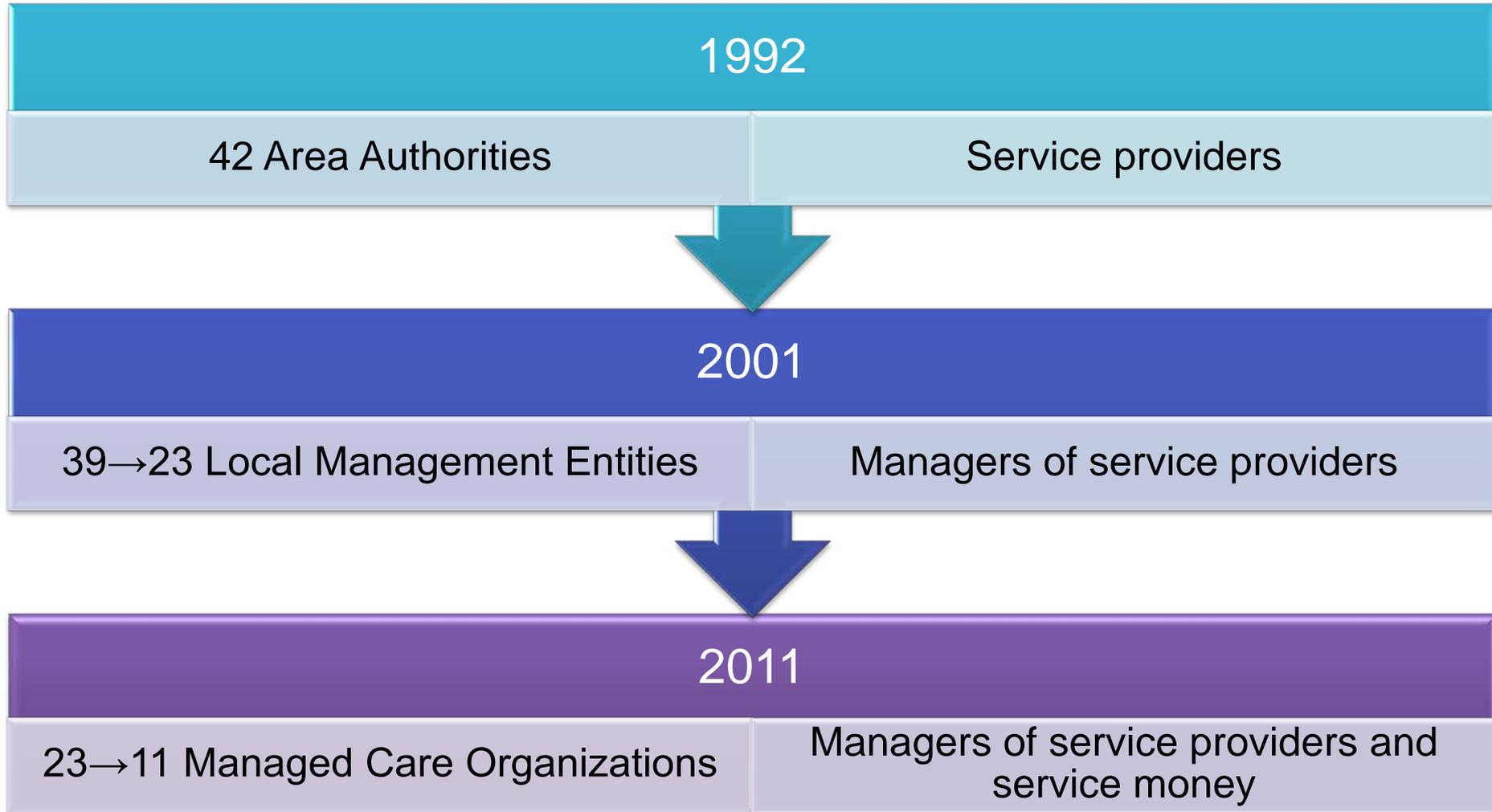
1. Operations – Enhanced state monitoring
2. Organization – Diminished county role
3. Governance – Diminished county role and (in some cases) greater professional involvement

**** Immediate Action: Counties must appoint county commissioner advisory board****



Operations

What Do LME/MCOs Do?

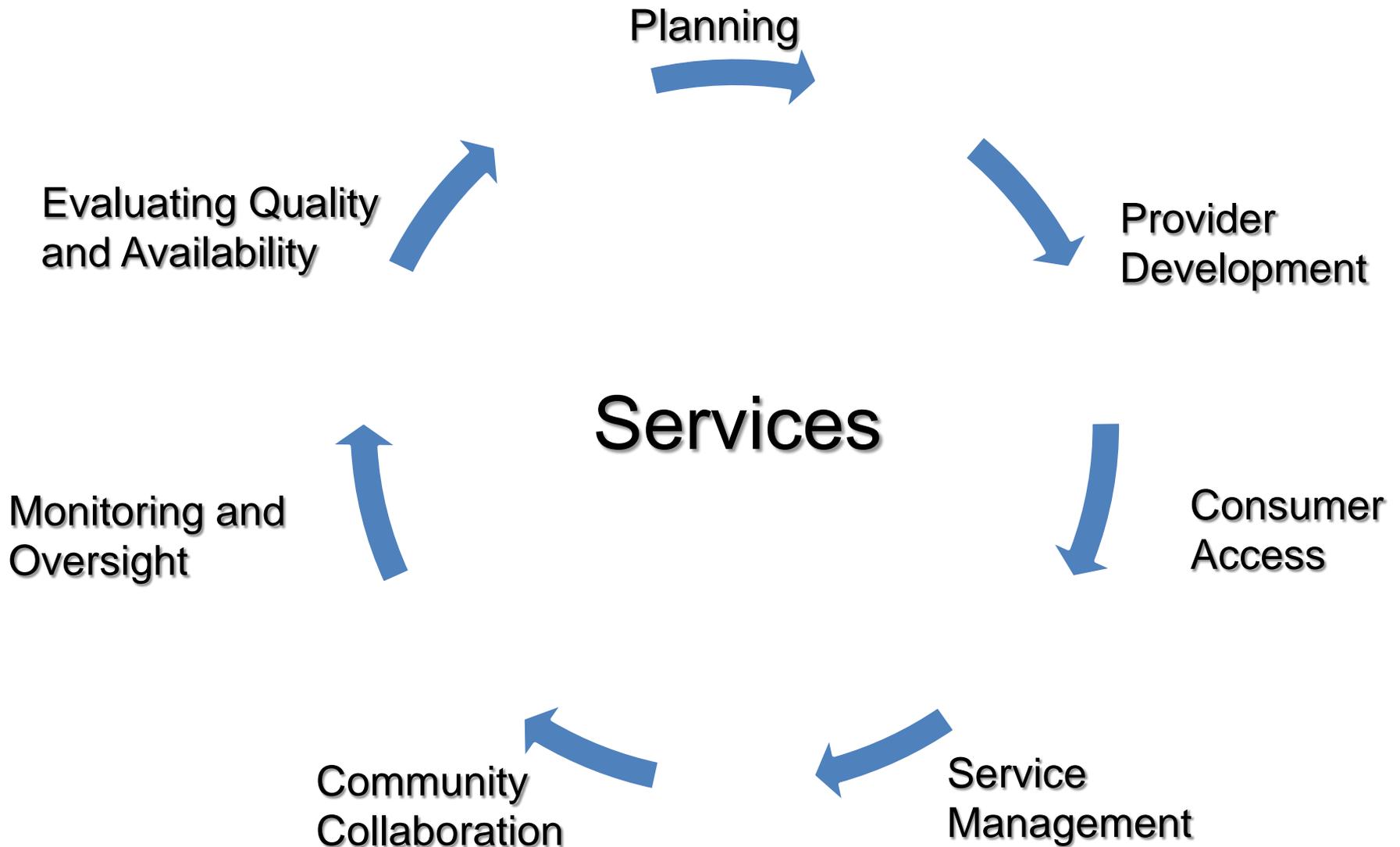


What Does an LME Do?

Local management entities are responsible for the management and oversight of the public system of MH/DD/SA services at the community level. An LME shall plan, develop, implement, and monitor services... to ensure expected outcomes for consumers within available resources.

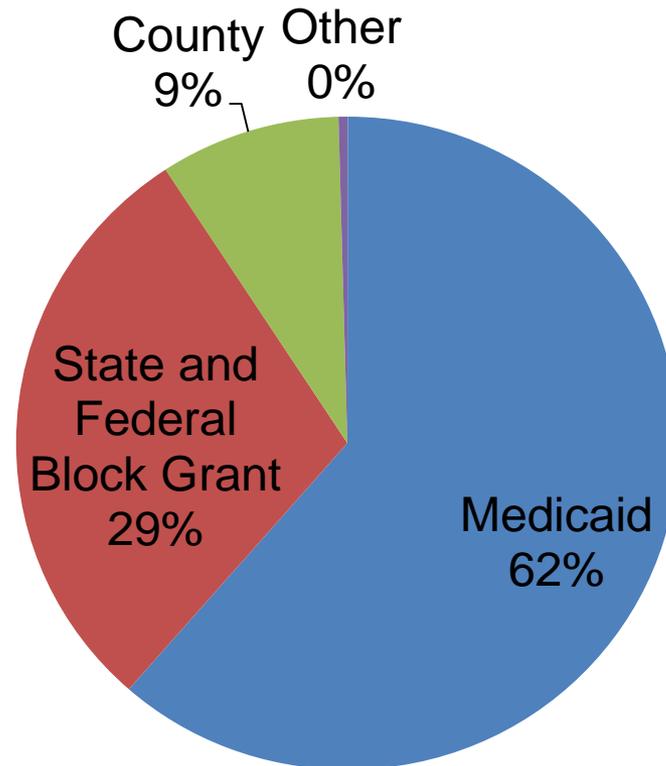
G.S. 122C-115.4

LME Functions



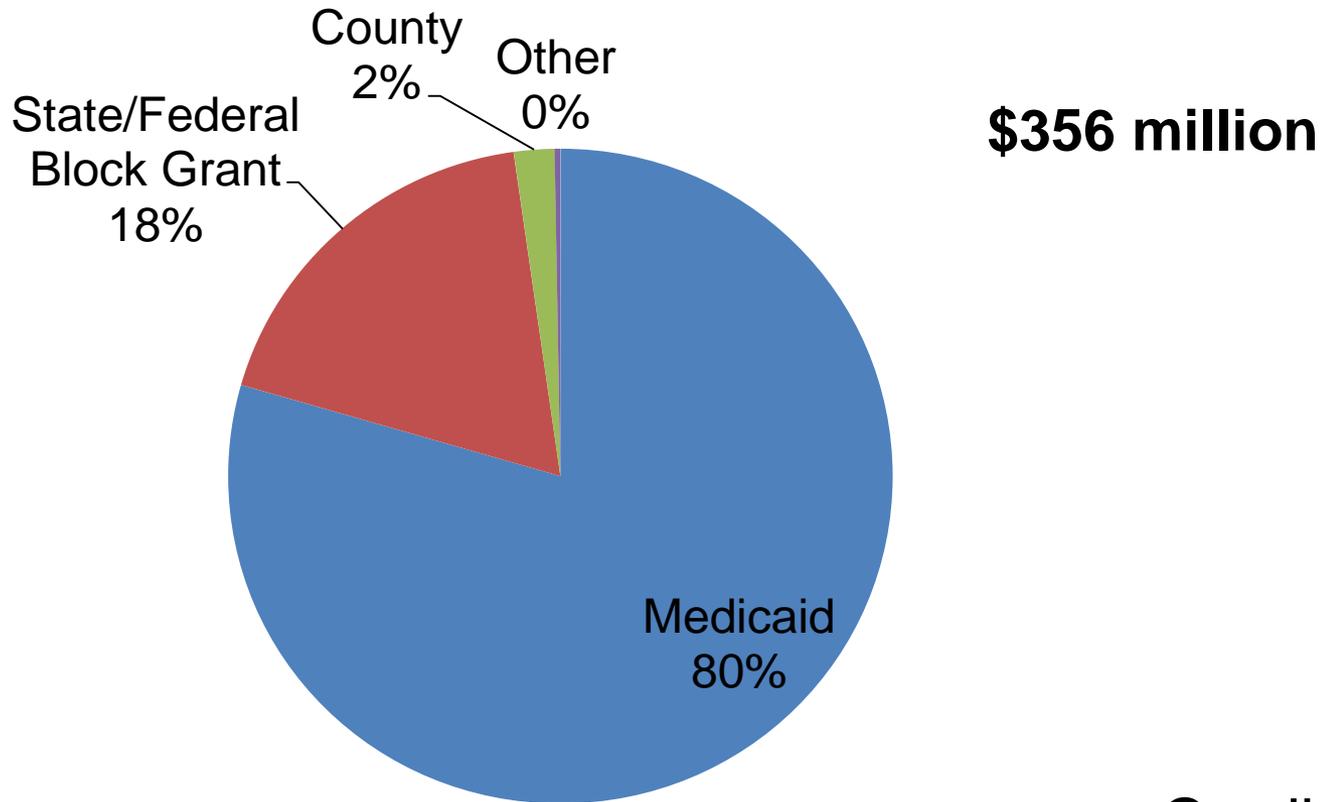
Who Pays for Services?

\$93 million



CenterPoint Human Services
FY 2012-13 Budgeted Revenues By Source

Who Pays for Services?



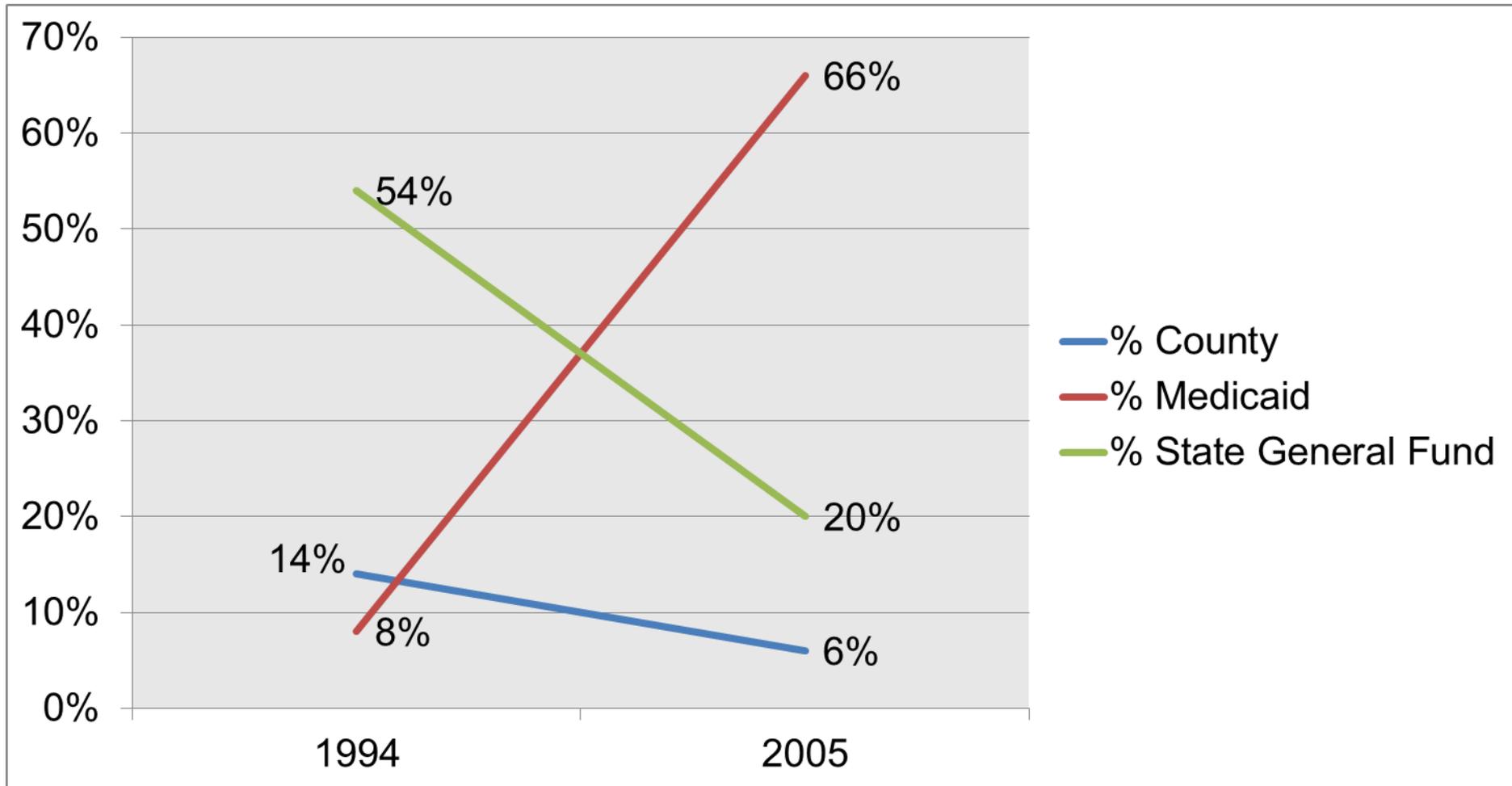
Cardinal Innovations
FY 2012-13 Budgeted Revenues By Source

Medicaid and Mental Health Services in the U.S.



- Then (1986)
 - Medicaid contributed less than three other payers: state and local governments, private health insurance, and patients
- Now
 - Medicaid is the largest payer of mental health services in the United States, more than any other private or public source of funding

LME Revenue Trends



Medicaid Managed Care

All LMEs must implement the “1915(b)/(c) Managed Care Waiver” by July 2013

S.L. 2011-264 (H 916)

Medicaid “Waiver”

- The federal government *waives* particular Medicaid rules to allow a state to operate Medicaid in a different way
- NC’s waiver allows implementation of a “managed care” delivery system intended to contain costs while improving quality of services

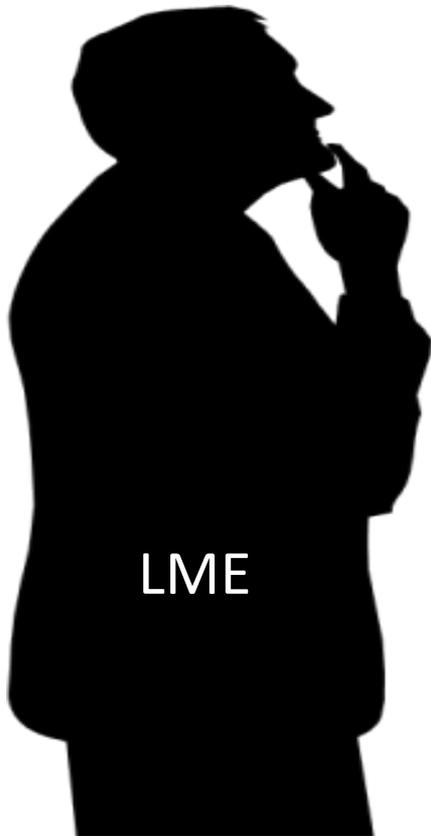
NC Medicaid: What's Changed?

- Managing the cost of care
 - fee for service → capitation funding
- Managing the quality of care
 - freedom of choice → mandatory enrollment

More than 65% of the total U.S. Medicaid population is served through some type of managed care arrangement

Managing Care

- Managing the quality of care
- Managing the cost of care



LME



Doctor

Patient

Managing Care



- Eligible individual?
- Covered service?
- Based on clinical assessment?
- Medically necessary?
- Qualified provider?
- Evidence that treatment helps?
- Other needed services?
- Outcomes over time?



LME

Provider

Operational Compliance—2012

If an LME operating the Waiver fails to meet performance expectations, DHHS must reassign its Waiver (managed care) functions to another LME

S.L. 2012-151 (S 191)

Operational Compliance—2013 Legislation

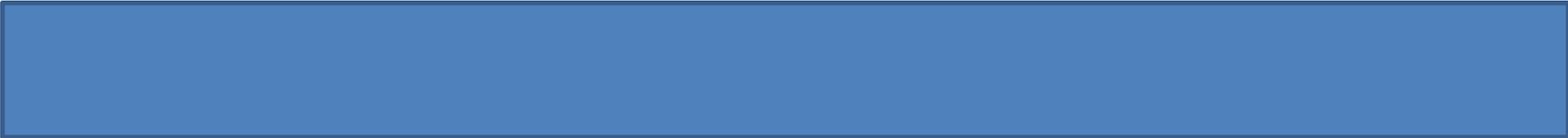
- Governed by LME/MCO–DHHS Contract
- DHHS certification every 6 months
 - Adequate provision against risk of insolvency
 - Timely provider payments
 - Adequate exchange of information (billing, payment, other transaction data) with DHHS and providers

S.L. 2013-85 (S 208)

Compliance Failure

- Written notice of noncompliance to LME/MCO
- Reassign contract (Waiver) responsibilities to another LME/MCO
- Oversee transfer of operations to another LME/MCO
- Dissolve the noncompliant LME/MCO
- Notify the BOCs of the member counties of the dissolving LME/MCO

S.L. 2013-85 (S 208)



Organization

Organizational Options—Once Upon a Time

Counties choose

- Area authority
 - Multicounty area authority
 - Single-county area authority
- County program
 - Multicounty program
 - Single county program
- Consolidated human services agency

Recent Constraints on Agency Type

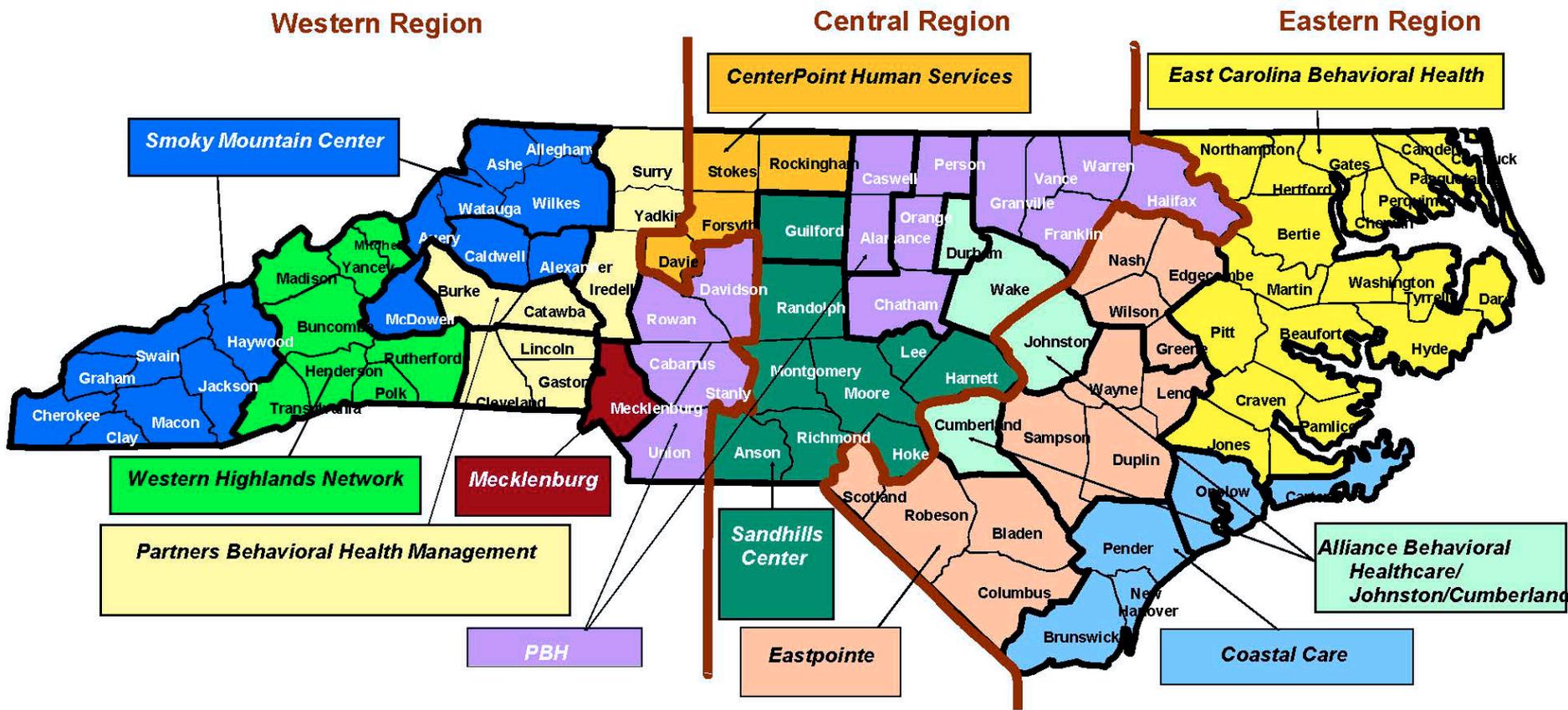
- “Beginning July 1, 2013, the catchment area of an area authority or a county program shall contain a minimum population of at least 500,000.”

G.S. 122C-115.

- Between July 1, 2012, and July 1, 2014, no county may withdraw from a multicounty area authority operating under the 1915(b)(c) Medicaid Waiver.

S.L. 2012-151

Local Management Entity - Managed Care Organizations (LME-MCOs) and their Member Counties on January 1, 2013



2013 Legislative Changes

“A county shall provide mental health, developmental disabilities, and substance abuse services through an area authority ~~or county program~~ . . . ” G.S. 122C-115.

S.L. 2013-85 (S 208)

A county may not consolidate MH/DD/SA functions into a consolidated human services agency. S.L. 2013-378 (H 399)

Organizational Options Now

Establish
agency

- Area authority
 - Multicounty area authority
 - ~~• Single county area authority~~
- ~~• County program~~
 - ~~• Multicounty program~~
 - ~~• Single county program~~
- ~~• Consolidated human services agency~~

Establishing an Area Authority

- Two or more BOCCs shall jointly establish an area authority with approval of the Secretary of DHHS

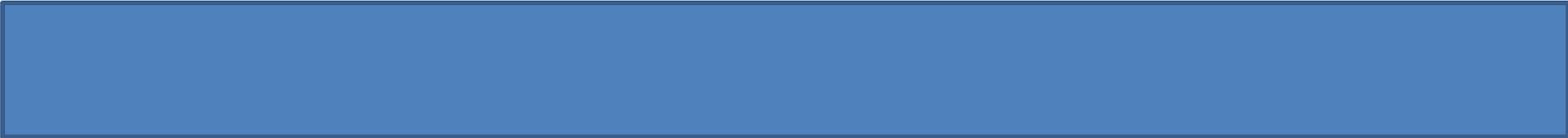
G.S. 122C-115

- Area authorities may add one or more additional counties to their area ~~by agreement of a majority of the existing member counties~~ upon the adoption of a resolution . . . by . . . the area board and the approval of the Secretary.

S.L. 2013-85

Dissolve or Withdraw from the Area Authority

- ~~BOCCs jointly may dissolve a multicounty area authority~~
- A single BOCC may withdraw its county from a multicounty area authority and join another
- Requirements:
 - ~~Best interest~~
 - ~~Public hearing~~
 - Prior approval of the DHHS Secretary, who must adopt rules governing conditions, timing, notice



Governance

Appoint the Governing Board

- The boards of county commissioners within the area shall appoint members
- The counties must approve a plan for their LME that describes the board composition, appointments, and selection process.

G.S. 122C-115.2(b)(2) and -117(8)

Appoint the Governing Board

- New Requirements—G.S. 122C-118.1
 - 11-21 voting members
 - 11 prescribed categories of representation
 - 2 prescribed non-voting members
- Compliance Date—October 1, 2013

Appoint the Governing Board

- Maximum of 3 terms
- 3-year term
- Staggered terms initially



Compliance Date—October 1, 2013

S.L. 2013-85 (S 208)

- Retains compliance date of Oct. 1, 2013
- Permits area authority with 1.25 million population to opt out of compositional requirements if
 - each county adopts a resolution to that effect and
 - written approval granted by DHHS Sec'y

S.L. 2013-378 (H 399)—Exception

Does not apply to an area authority that,

- before Oct. 1, 2013, is approved or directed to dissolve, or
- is approved to add counties from a dissolving area authority

In this case, new entity must meet statutory requirements within 30 days of eff. date of merger or by April 1, 2014, whichever is sooner.

S.L. 2013-85 (S 208)

Requires county commissioner advisory board for each area authority to

- Meet on a regular basis
- Advise area authority on the delivery of services

Appointment and composition

- One county commissioner from each county designated by the county's BOCC
- Each BOCC determines the manner of designation, term, and conditions of service of its designee

Questions?

