

NEWS REPORT | March 31, 2020

RFA Pre-Release Puts In Question Number Of North Carolina Tailored Behavioral Health Plans To Be Awarded

According to early information about an upcoming request for applications (RFA), North Carolina's transition to Medicaid managed care includes specialized plans for people with behavioral health disorders and intellectual/developmental disability (I/DD) that will initially be offered by five to seven of the current Local Management Entities/Managed Care Organizations (LME/MCOs) that oversee public behavioral health services. Although the LME/MCOs will be the only entities that can bid to operate the specialized "Behavioral Health I/DD Tailored Plans," the state may not award contracts to each of the seven current LME/MCOs: Vaya Health; Partners Behavioral Health Management; Cardinal Innovations Healthcare Solutions; Sandhills Center; Alliance Health; Eastpointe; and Trillium Health Resources.

If the LME/MCO serving that region is not awarded a contract, then the North Carolina Department of Health and Human Services (DHHS) will consider it an "empty region." DHHS will award contracts for all or part of the "empty region" to one or more qualified LME/MCO applicants, based on their responses to an optional, supplemental questions request. There will be only one BH/IDD Tailored Plan in each county within the empty region. The supplemental questions will focus on the LME/MCOs' experience in and approach to developing provider organization networks and managing community health functions in regions in which they currently do not operate. The supplemental questions will also assess the LME/MCO's administrative and operational capacity to manage an expanded service area, and assess projected enrollment in empty regions.

The state outlined its plans for the procurement in "North Carolina Medicaid Managed Care Policy Paper: Behavioral Health I/DD Tailored Plan Request For Application Pre-Release." Comments were due on the RFA pre-release by February 21, 2020. A summary of the RFA pre-release was issued in March 2020 by i2i Center for Integrative Health.

The Tailored Plan RFA is anticipated during the spring of 2020. The LME/MCOs will have 120 days to submit responses, after which DHHS will conduct readiness reviews. The contract awards are anticipated by late fall 2020.

The state intends to shift Medicaid and NC Health Choice from fee-for-service to managed care, and end the state's behavioral health carve-out. However, the transition has been suspended because the legislature adjourned in November 2019 without providing required new spending and program authority for the transition. During the suspension, DHHS is preparing for the eventual launch. When the transition takes place, there will be two types of plans:

- Standard Plans for the general Medicaid population that will integrate physical health, behavioral health, long-term services and supports (LTSS), and pharmacy services. The Standard Plan contracts were awarded in February 2019, and were slated to go live in a regional phase in starting in November 2019, with the final regions to transition in February 2020. Statewide Standard Plan prepaid health plan (PHP) contracts were awarded to AmeriHealth Caritas North Carolina, Inc.; Blue Cross and Blue Shield of North Carolina; UnitedHealthcare of North Carolina, Inc.; and WellCare of North Carolina, Inc. Carolina Complete Health, Inc., a Provider-Led Entity PHP, was awarded three regional contracts for Regions 3, 4, and 5.
- Tailored Plans for the subset of beneficiaries with behavioral health disorders requiring specialized services typically funded through a Medicaid home- and community-based services (HCBS) waiver. The Tailored Plans will integrate physical health, behavioral health, LTSS, and pharmacy services, and will also provide services to meet unmet resource needs and a more robust behavioral health and I/DD benefit package than the Standard Plans. The Tailored Plans are tentatively slated to go live in July 2021.

According to the RFA pre-release document, only the LME/MCO currently serving a region can apply to be the BH/IDD Tailored Plan for that region. The initial contract will run for four years. The subsequent contracts will be bid competitively with current BH/IDD Tailored Plans and non-profit PHPs licensed in North Carolina.

The BH/IDD Tailored Plan requirements include those in the Standard Plan contracts for the general Medicaid population plus additional requirements based on the high-needs populations being served by the Tailored Plans. The BH/IDD Tailored Plan will subcontract with a PHP licensed in North Carolina and it is not required that the subcontractor already be providing Standard Plan services in that Tailored Plan region. In the third contract year, each BH/IDD Tailored Plan itself will be required to become licensed as a PHP in North Carolina 90 days before the end of the contract year.

A link to the full text of "North Carolina Medicaid Managed Care Policy Paper: Behavioral Health I/DD Tailored Plan RFA Pre-Release" may be found in the *OPEN MINDS Circle Library* at www.openminds.com/market-intelligence/resources/013020nctailoredplanrfa.htm.

OPEN MINDS last reported on this topic in "North Carolina Suspends Transition To Medicaid Managed Care," which published on December 2, 2019. The article is available at <https://www.openminds.com/market-intelligence/news/north-carolina-suspends-transition-to-medicaid-managed-care/>.

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