NC Institute of Medicine Legislative Health Policy Fellows

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UNC SCHOOL OF GOVERNMENT

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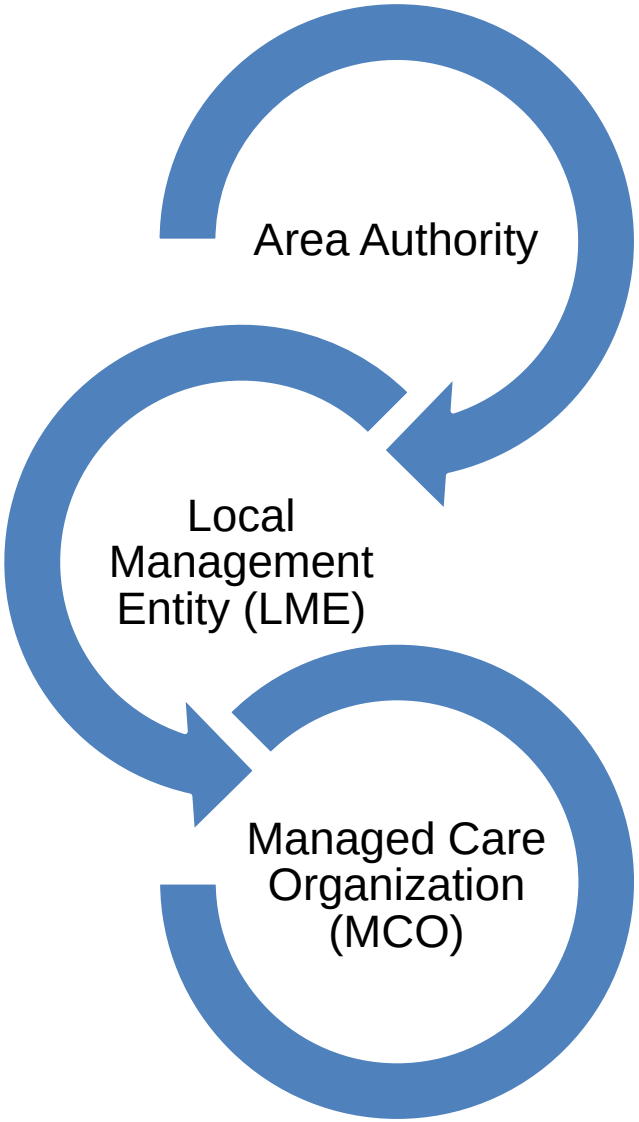
Community-based service system



State Government Role

- DHHS
  - Services—14 state-operated facilities (2,800)
  - Funds for community-based services
    - DMA—Medicaid money (insured)
    - DMH/DD/SAS—Non-Medicaid funds (uninsured)
  - Oversight of community-based system
- General Assembly—policymaker
  - Organization and Structure
  - Funding
  - Eligibility

WHAT IS AN AREA AUTHORITY AND WHAT DOES IT DO?

What is an area authority?

- An area authority is a local political subdivision of the state
- Within the public system of MH/DD/SA services an area authority is the locus of coordination among public services for clients of its catchment area

G.S. 122C-101, -116.

How are they established?

- A county must establish an area authority
- A county must provide MH/DD/SA services through an area authority
- With DHHS Secretary approval:
  - A county may “disengage” from one LME and “realign” with another
  - Two area authorities may consolidate (merge) to create one larger area authority

G.S. 122C-115.

Who Governs the LME?

- Boards of county commissioners within the LME's catchment area shall appoint governing board members according to a plan
  - jointly adopted by the counties and
  - that describes the board composition, appointment, and selection process
- LME board statute requires
  - At least 11 and no more than 21 voting members
  - 11 prescribed categories of professional and constituent representation

G.S. 122C-118.1, 122C-115.2

What does an area authority do?

- Responsible for the management and oversight of the public system of MH/DD/SA services at the community level.
- Must plan, develop, implement, and monitor services within a specified geographic area to ensure expected outcomes for consumers within available resources.

  G.S. 122C-115.4

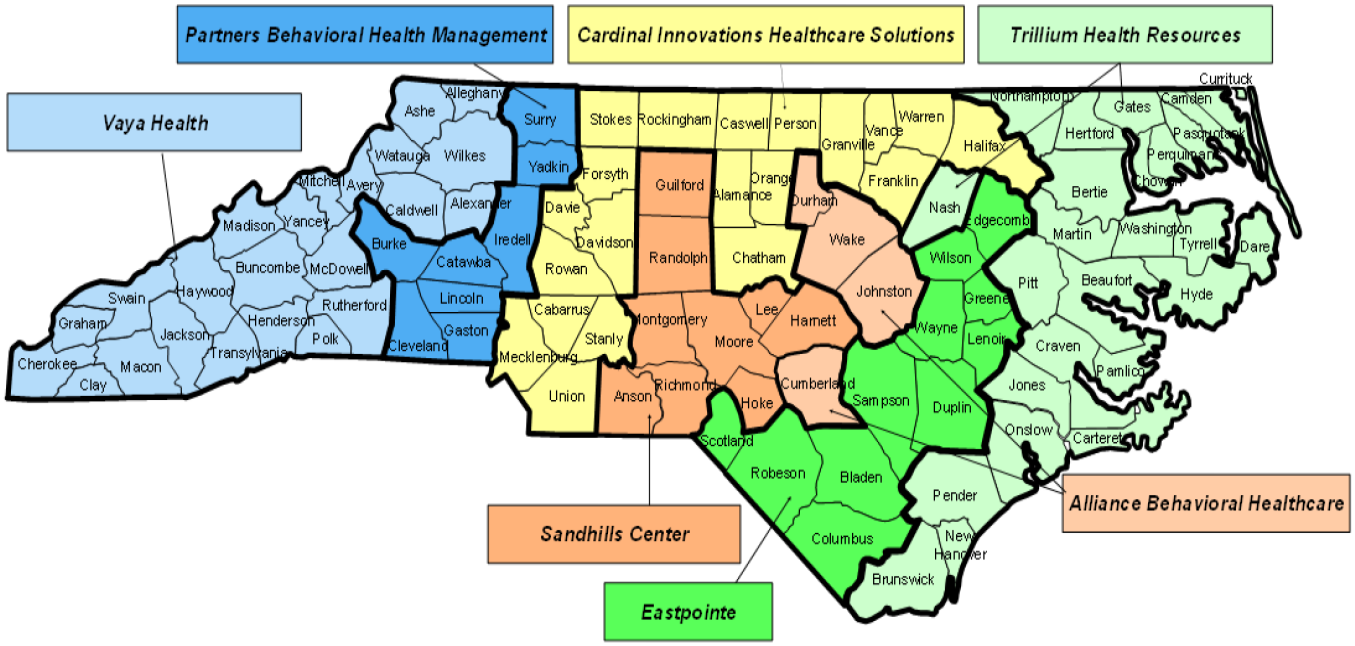
Area Mental Health, Developmental Disabilities, and Substance Abuse Authorities in North Carolina

(Local Management Entities/Managed Care Organizations)

Click on Tools, Sign, and Comment to access additional features.

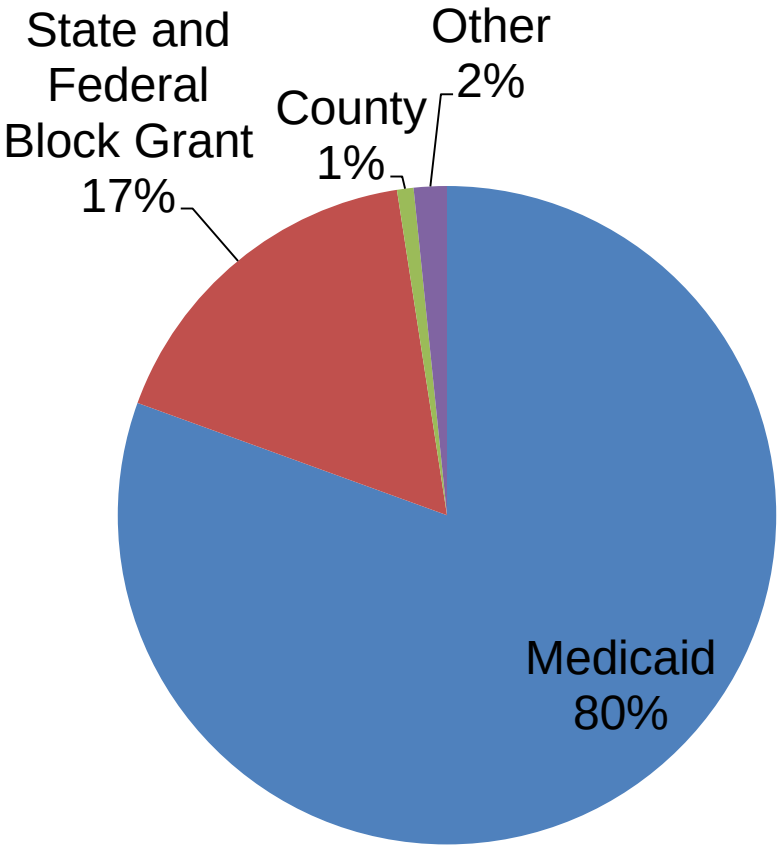
LME-MCO Catchment Areas

As of 7/1/17



LME-MCOs Operate Under the 1915 (b)(c) Waiver

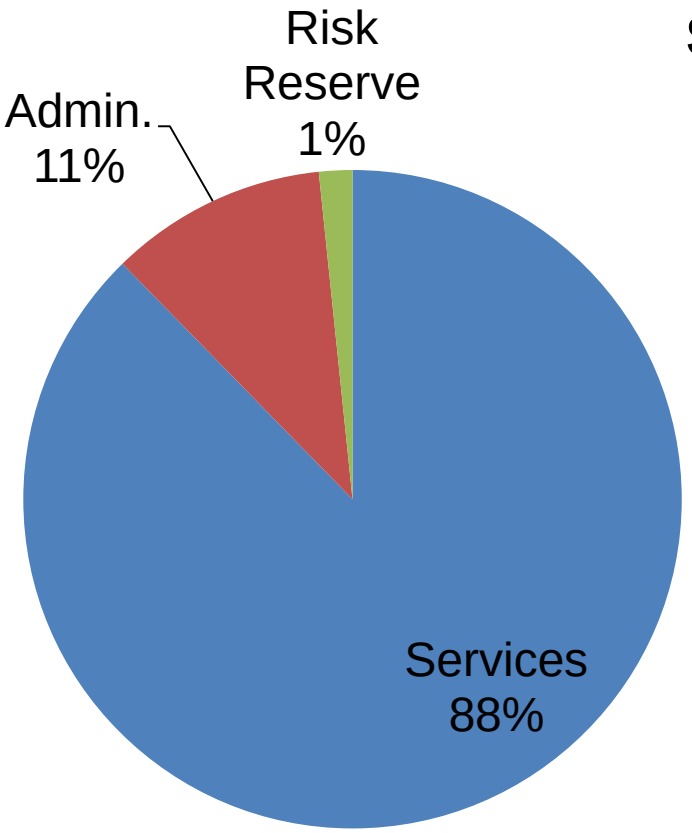
Who Pays for Services?



$369 million

Smoky Mountain Center
FY 2015-16 Budgeted Revenues By Source

Where Does the State and Federal Money Go?



$360.5million

Smoky Mountain Center
FY 2015-16 Budgeted Medicaid/State/Federal Revenues

Who is eligible for public services in North Carolina?

- Medicaid enrollees—1.9 million—22.7% of the state population
  - $1.9 billion
- Uninsured—1.1 million—13.6% of population
  - $233 million state, $60 million county

Among the eligible, who receives services?

- Medicaid enrollees—16% of enrollees receive services
- Uninsured—8% of the uninsured receive services
- Estimated prevelance of Medicaid enrollees and uninsured (in need of services) = 1,075,000
  - 47% of these (475,000) receive services

Agency Functions and Mission

- Personnel
- Budget and finance
- Consumer affairs
- Information management

- Services

  - Access
  - Provider relations
  - Service management
  - Quality management
  - Community collaboration

To efficiently provide necessary and effective services to eligible people within available resources

Service Management

- Approve specific services to individual consumers—“service authorization”
- Evaluate the medical necessity, clinical appropriateness, and effectiveness of services according to state criteria—“utilization management”
- Monitor individual care decisions at critical treatment junctures to assure effective care is received when needed—“care coordination”

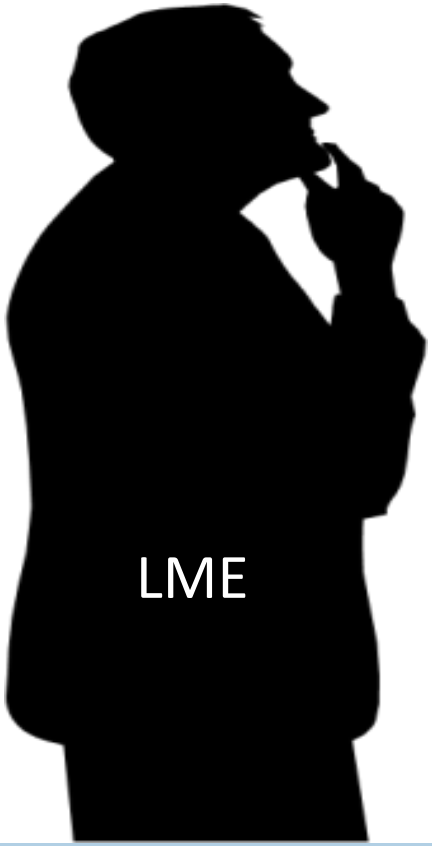
Service Management

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

LME Provider

Managing Care

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



Doctor Patient

Quality Management

Analyze data on access, service authorization, and claims payment for:

1. high cost/high need consumers
2. utilization of various services in the service array
3. gaps in the service array
4. consumer access, initiation, engagement and retention

The foregoing list is only a sample of the many QM activities that LMEs must engage in.

Community Collaboration

The LME must establish and maintain effective collaborative working relationships with other public agencies, health care providers, and human services agencies within their catchment area

Must build a community collaborative of crisis/emergency stakeholders that engage in and support crisis prevention, crisis stabilization, and engagement of individuals into services after a crisis event

Collaborative Context

Area Board Duties

- Determine the needs of area authority clients
- Annually assess the area authority's ability to meet those needs.
- Submit to DHHS and BOCCs
  - Quarterly service delivery reports that assess the quality and availability of services
  - Annual report that assesses progress in achieving service goals and plans

WHAT DOES THE FUTURE LOOK LIKE?

Medicaid Reform—S.L. 2015-245 (H 372)

- Private health plans enter into prepaid, capitated contracts with the state
- For the delivery of all Medicaid and NC Health Choice services—physical health services, prescription drugs, long-term care and supports, and behavioral health services—"whole care"
- To all Medicaid and NC Health Choice aid categories—"enrollees" (except those dually eligible for Medicaid and Medicare)
- In a specified geographic region defined by the State— "catchment area"

What happens to LME-MCOs?

- 4 years after contracts begin—LME/MCOs stop managing Medicaid behavioral health services

or

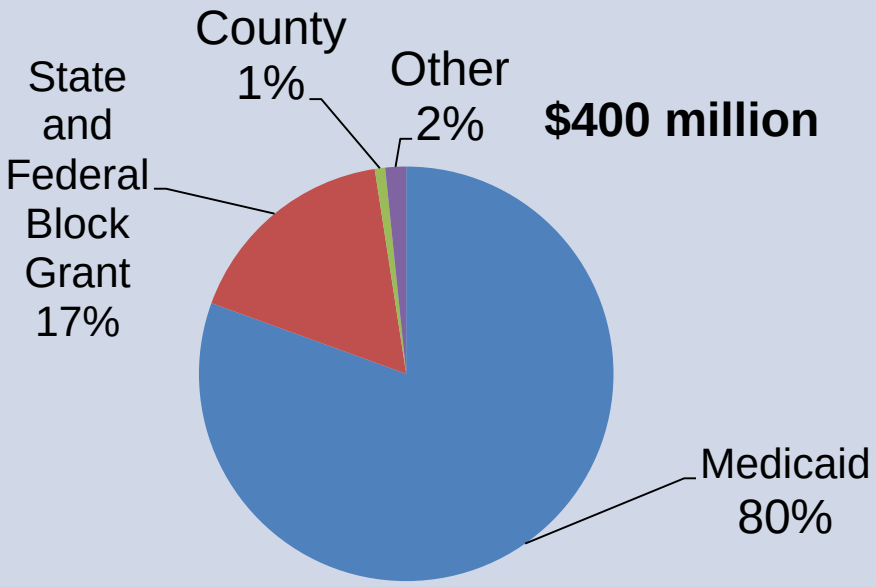
- Create “tailored plans” for a defined special needs population—public or non-profit entities separately manage population that has high need for behavioral healthcare

and

- Permit LME/MCOs to compete for MCO contracts to manage both physical and behavioral healthcare for the special needs population.

When LME/MCOs lose Medicaid contract?

What happens to the State funding for the indigent and uninsured who are not eligible for Medicaid?



What happens to the non-Medicaid functions of an LME/MCO?

- Local service planning with stakeholders
- Collaborative working relationships with other public agencies
- Community collaborative of crisis/emergency stakeholders
- Coordinate services to juveniles in the juvenile justice system
- Perform multidisciplinary evaluations

Legislative Issues

- Integrated Care
- Funding/Uninsured
- Workforce Development
- Inpatient Expenditures

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