

LME–County Relations: Current Issues

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MH/DD/SA Services

- County role
- LME organization, function and size
- Consolidation issues

A County Responsibility

“A county shall provide mental health, developmental disabilities, and substance abuse services through an area authority or through a county program.”

G.S. 122C-115

Additional Option

A county with at least 425,000 people that uses the county manager form of government may administer services through a “consolidated human services agency.”

G.S. 122C-127; G.S. 153A-77(b)

Organizational Structure Five Options

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

Boards of County Comm’rs

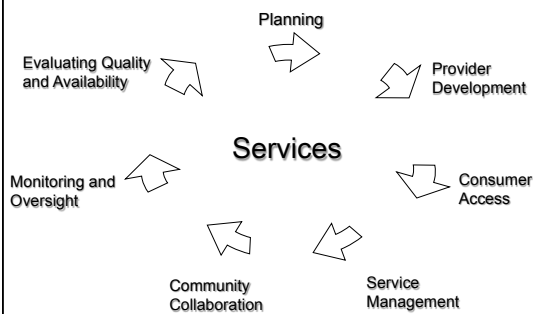
- Appoint (and sometimes are) the governing body for the LME
- Review and approve the LME business plan
- Appropriate funds to support the LME
- Monitor the LME’s financial health and service capacity
- Participates in the selection and annual review of the LME director

Function

“Local management entity” or “LME” means an area authority, county program, or consolidated human services agency. It is a collective term that refers to functional responsibilities rather than governance structure.

G.S. 122C-3(20b); 122C-115.4

LME Service-Related Functions



Function

2001 → 2011



Provider → LME → MCO/MBHO

S.L. 2011-264 (H 916) Function and Size

- Expand the 1915(b)(c) Waiver to all LMEs by July 2013
- DHHS selects LMEs that meet minimum criteria
- Minimum LME catchment area population of 500,000

2009 DHHS Report

- Waiver of particular Medicaid rules would allow implementation of a “managed care” delivery system intended to contain costs while maintaining quality of services
- “Managed Care”: processes or techniques used by an entity that delivers, administers and/or assumes risk for health care services to control or influence the quality, accessibility, utilization, costs or outcomes of services provided to a defined enrollee population

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2009 DHHS Report

- LME functions reflect managed care principles
- LMEs
 - plan array of services to meet consumer needs
 - develop provider networks,
 - organize local resources, community collaboration
 - connect consumers to appropriate resources
 - monitor and evaluate the quality and availability of services

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Risk-Based Financial Model

MBHO paid a monthly capitation rate and assumes financial risk for delivery of services (incurs loss if cost of furnishing services exceeds payments)

- has incentive to contain costs (e.g., by reducing use of inappropriate inpatient care)
- savings from more cost efficient care can be used to provide additional services to recipients (reinvest savings to maintain quality of services and expand the array of services)

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Risk Management

- Size--The smaller number of covered lives, the greater the risk that a small number of outliers on costs could result in overall financial losses for the MBHO
- Functionality --Requires investment in managed care infrastructure and a level of management attention necessary to survive long-term under a risk contract with an administrative cap set by DMA

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“Consolidation” Statutes

- Dissolution--GS 122C-115.3
 - BOC decision
 - Public hearing
 - Any budgetary surplus passes to successor LME or LMEs after satisfying LME financial liabilities
- Establishment --GS 122C-115
 - By a BOC or two or more BOCs jointly with approval of the Secretary

Two Consolidation Issues

1. Records—retention or transfer of records of the dissolving entity
 - Records retention law
 - Confidentiality law
2. Governing board—formation and composition of the new LME board

Records Retention Law

- North Carolina Archives and History Act (GS 121-5)
- Records Retention and Disposition Schedule, APSM 10-3, and Oct. 26, 2011 update



Confidentiality Laws

- HIPAA Privacy Rule (45 CFR 160, 164)
- State MH/DD/SA Confidentiality Statute and Rules (GS 122C, 10A NCAC 26B)
- Federal Rules Governing Substance Abuse Patient Records (42 CFR 2)



Area Authority Board Appointment and Composition

LME Board Composition:

- What does the task require?
- What does the law require?



Method of Appointment

In a single county area authority, the members shall be appointed by the board of county commissioners.

G.S. 122C-118.1

Multicounty Area Authorities: Appointment Option One

Each board of county commissioners within the area shall appoint one commissioner as a member of the area board. These members shall appoint the other members.

Multicounty Area Authorities: Appointment Option Two

The boards of county commissioners shall have the option to appoint the members of the area board in a manner other than as required under this section by adopting a resolution to that effect.

Appointment and Removal

- A member of the board may be removed with or without cause by the initial appointing authority
- The LME “business plan” shall describe the board composition and selection process (GS 122C-115.2)

LME Board Composition

Appointments must “take into account”

- Sufficient citizen participation
- Representation of the disability groups
- “Equitable” representation of participating counties

Equitable = fair, just, or right



“Take into Account”

- Include
- Allow for
- Consider
- Think about



Composition

Representation of

- physicians
 - clinical MH/DD/SA professionals
 - family members of consumers, and
 - consumers of services
- must not exceed 50% of the board

LME Board Composition

Appointments must include

- Two individuals with financial expertise
- One w/ management or business expertise
- One representing the interests of children

A member may be appointed to fill concurrently two categories of membership



What is the relevant question?

- What should our board look like?
- Who should be on it?
- What qualities, characteristics, experience, and skills are needed?



OR

- How many board appointments does each county get?

Board Size, etc.

- No less than 11 and no more than 25 members
- May have up to 30 members in catchment areas of eight or more counties
- No individual who contracts with the LME to provide MH/DD/SA services

Term Limits

- Three-year terms
 - Except upon initial formation of an area board, one-third shall be appointed for one year, one-third for two years, and the remaining for three years
- No more than two consecutive terms
 - Except members who are county commissioners or county managers
