

# North Carolina's Publicly Funded Mental Health System



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# Six Questions

1. What is managed care?
2. Who pays for services?
3. What is an LME-MCO?
4. What does it do?
5. What is the role of county government?
6. What services do LME-MCOs provide?

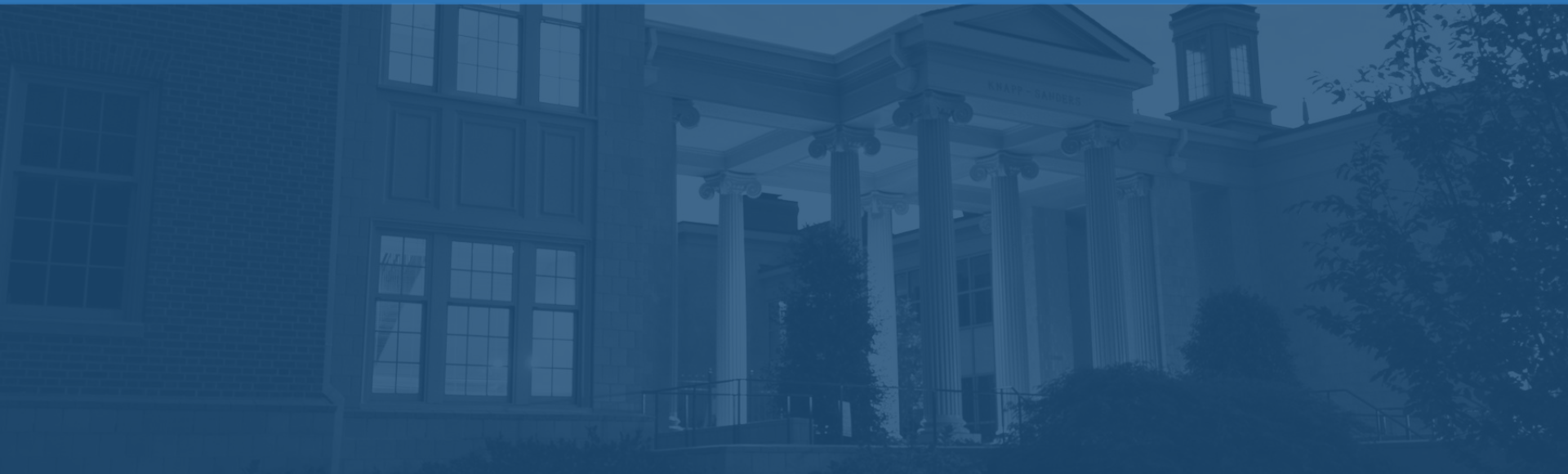
# Some Acronyms

- MH = mental health
- IDD = intellectual and developmental disabilities
- SUD = substance use disorder
- BH = behavioral health—collectively, health relating to MI and SUD
- TBI = traumatic brain injury

# What is Managed Care?



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# More Acronyms

- PHP=prepaid health plan
- Standard PHP-physical health, behavioral health, pharmacy, long term services
- BH IDD plan = a PHP *tailored* to the those with the most serious or severe behavioral health and intellectual/developmental disabilities needs
  - Also called, the tailored plan
- MCO = managed care organization, the entity responsible for operating a prepaid health plan

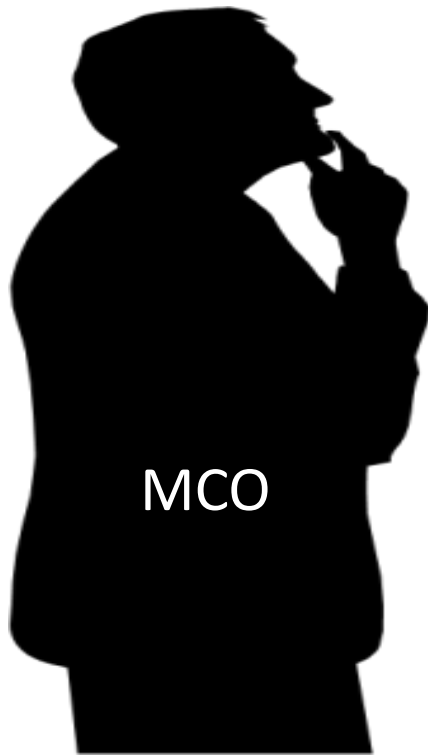
# Medicaid Managed Care

State contracts with MCOs to coordinate, authorize and pay for the physical **and** mental health care needs of Medicaid enrollees

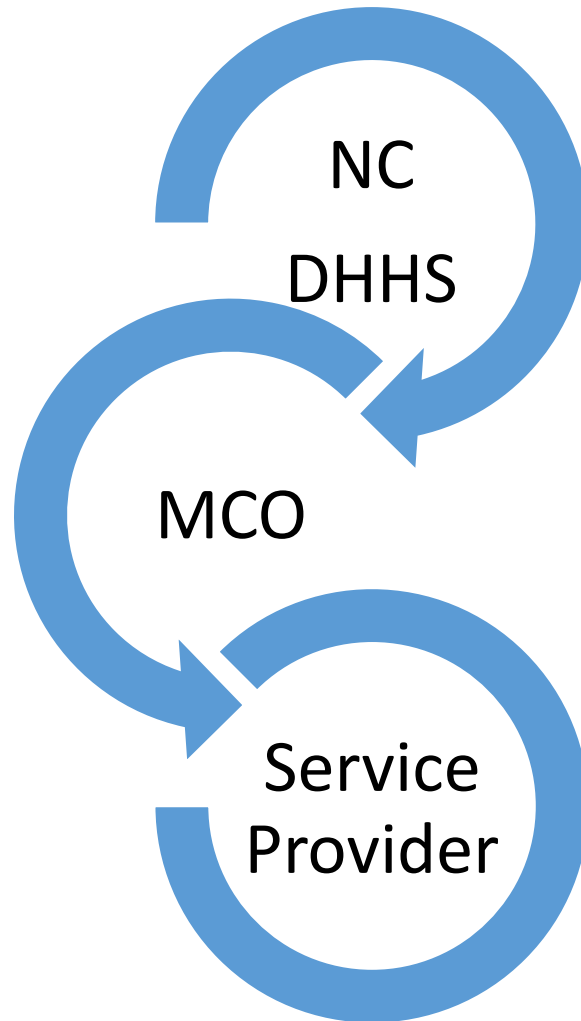
- Prepaid Health Plan (PHP)—An MCO is paid in advance a set, contractually agreed upon fee for each Medicaid/NCHC enrollee in the MCO's covered region
- Provider network—MCO contracts with health care providers to provide services to those enrolled in its PHP

# Managing Care

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



# Money Flow → Capitated Contract



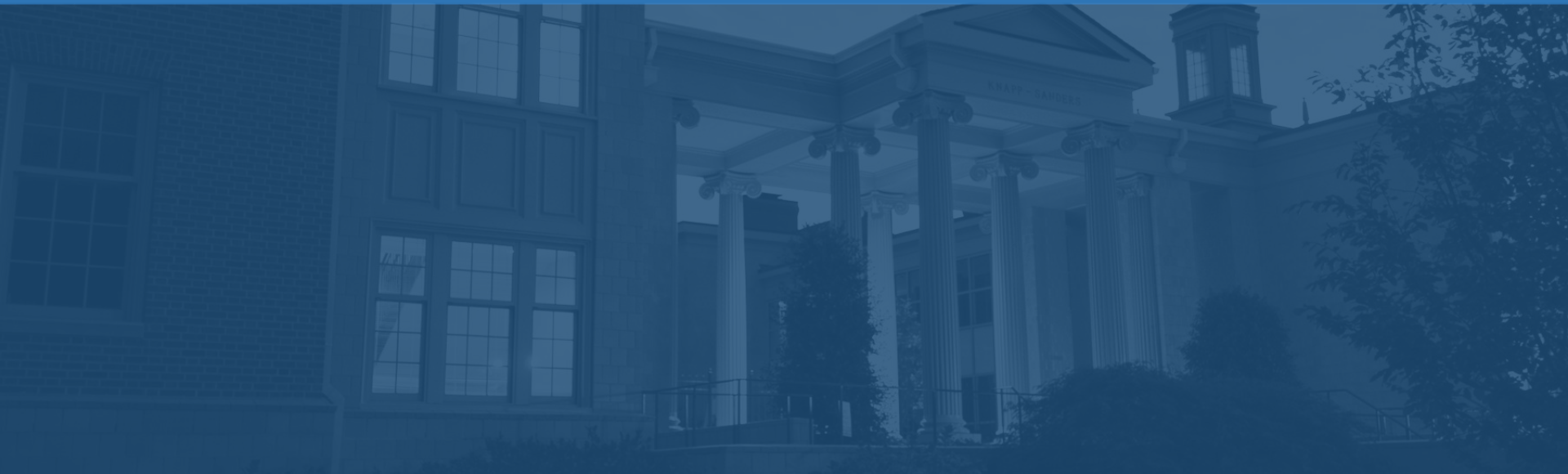


# Who Pays for Services?



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# Who Pays for Services?

## Private Payor

- Private health insurance

## Public Payor

- Medicaid insurance
- State \$ for uninsured

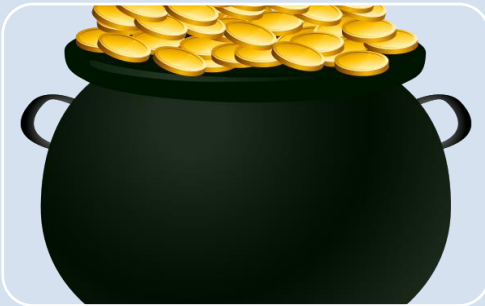


# Medicaid

- Eligibility and benefits are managed by state governments w/n federal guidelines
- Covers healthcare costs for qualifying low-income individuals
- NC—2.8 million people in 2023
- NC—Expanded coverage to appx. 600,000 eff. 12/1/2023
- NC—138% of the federal poverty level, e.g., single individuals making under \$20,000 a year, family of three earning under \$34,000.

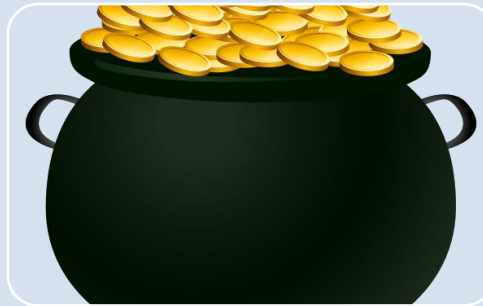


# The Public Payor System



**Medicaid**  
Standard Plan

managed by  
Private MCOs



**Medicaid**  
Tailored Plan

managed by  
Public MCOs



State/Fed/Co  
Funds

managed by  
Public MCOs

# Two Kinds of Medicaid Health Plans

- **Standard Plan**—Administered by private MCOs serving those with no or lower intensity behavioral health needs
  - AmeriHealth
  - Healthy Blue
  - United Healthcare
  - WellCare
  - Carolina Complete Health (a provider led entity)
- **Tailored Plan**—Managed by public MCOs (the LME-MCOs) serving those with serious MI, severe SUD, IDD or TBI
  - LME-MCOs also manage the non-Medicaid public funds (federal/state/county)

# Children and Families Specialty Plan- CFSP (Prospective)

- For physical and behavioral health services for children, youth and family served by the child welfare system.
- Managed by a single state-wide entity for all Medicaid services covered by the plan.
- Will “build a statewide provider network” for the unique needs of children and families in child welfare system.
- Intended to improve coordination of activities among service providers, families, DSS, Division of Juvenile Justice, and schools.
- Care managers required to coordinate closely with each child’s assigned county child welfare worker, primary care provider, parent/custodians.

# What is an LME-MCO?



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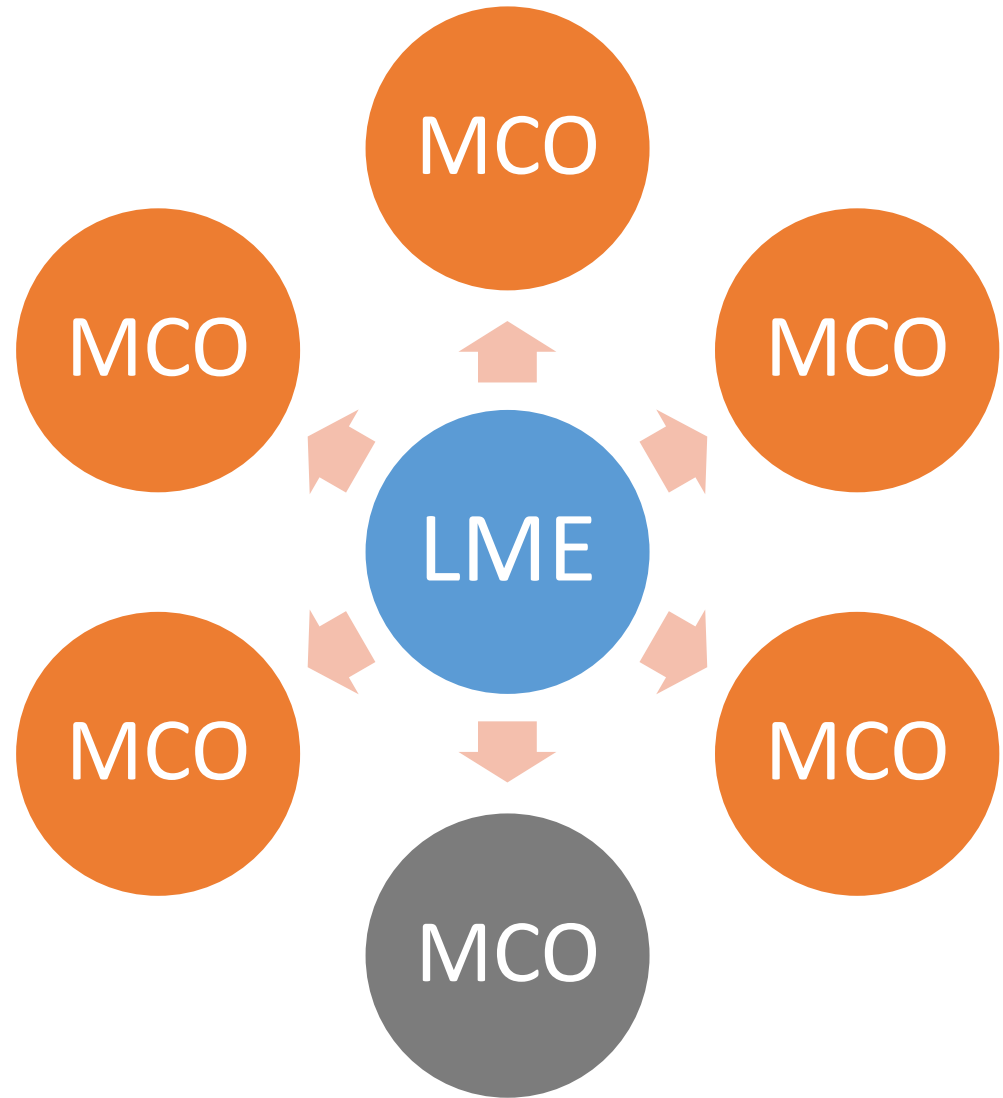
# What is an LME-MCO?

- The *public* entity responsible for providing publicly-funded, community-based MH/DD/SA services
- The entity managing the Medicaid benefits plan called the **Tailored Plan**
  - Area MH/IDD/SUD Authority
  - **Area Authority**
  - LME=Local Management Entity – 2001
  - MCO=Managed Care Organization –2013
  - **LME-MCO**=A local management entity that is under contract with the NC DHHS to operate as a Medicaid managed care organization.

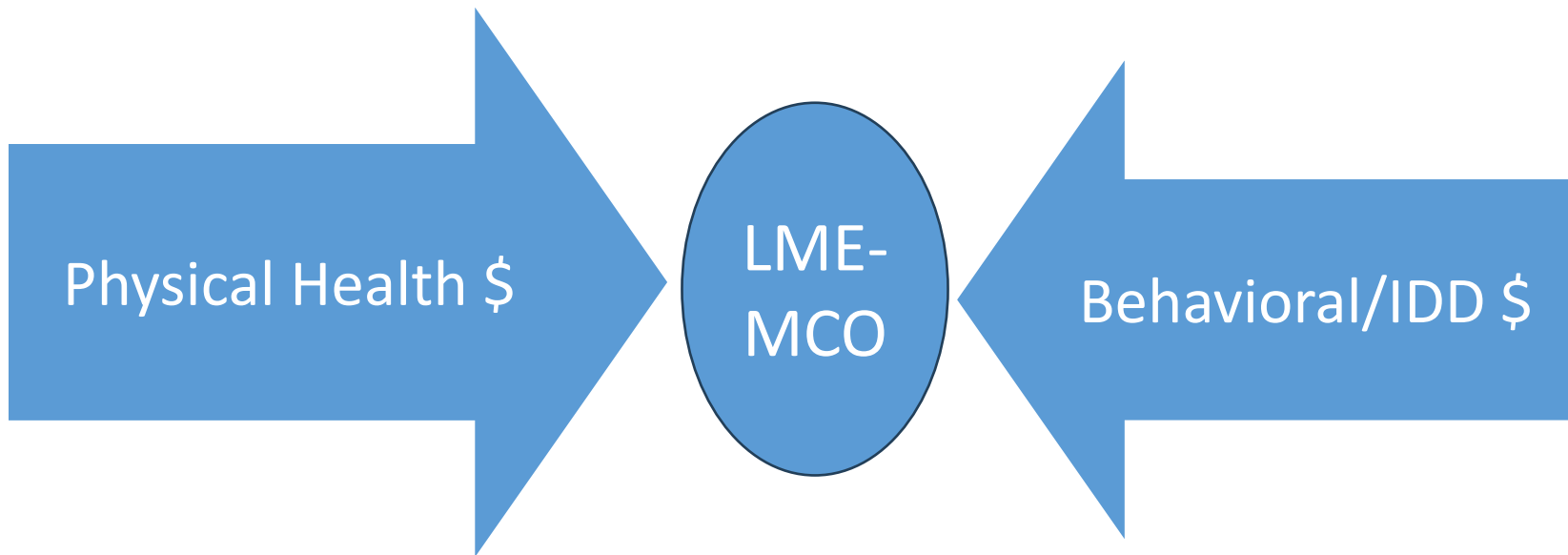


**Dispersion of  
Persons  
Served**

**Among  
Multiple  
Payors  
(MCOs)**



# Integration of Service Management



LME-MCO management of **both** behavioral/IDD services **and** physical health services begins July 1, 2024.

# What is an Area Authority?

- An area authority is a local political subdivision of the state
- A public authority for purposes of G.S. 159
- Does not have authority to levy taxes.
- Must comply with open meetings, public records, and conflicts of interest laws

# How is it Governed?

- By an “area board” appointed by the boards of commissioners for the counties in the area authority’s catchment area (service region)
- According to a plan jointly adopted by participating counties that describes the board composition, and appointment and selection process
- At least 11 and no more than 21 voting members
- 11 prescribed categories of professional and constituent representation

# Governing Board Responsibility

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

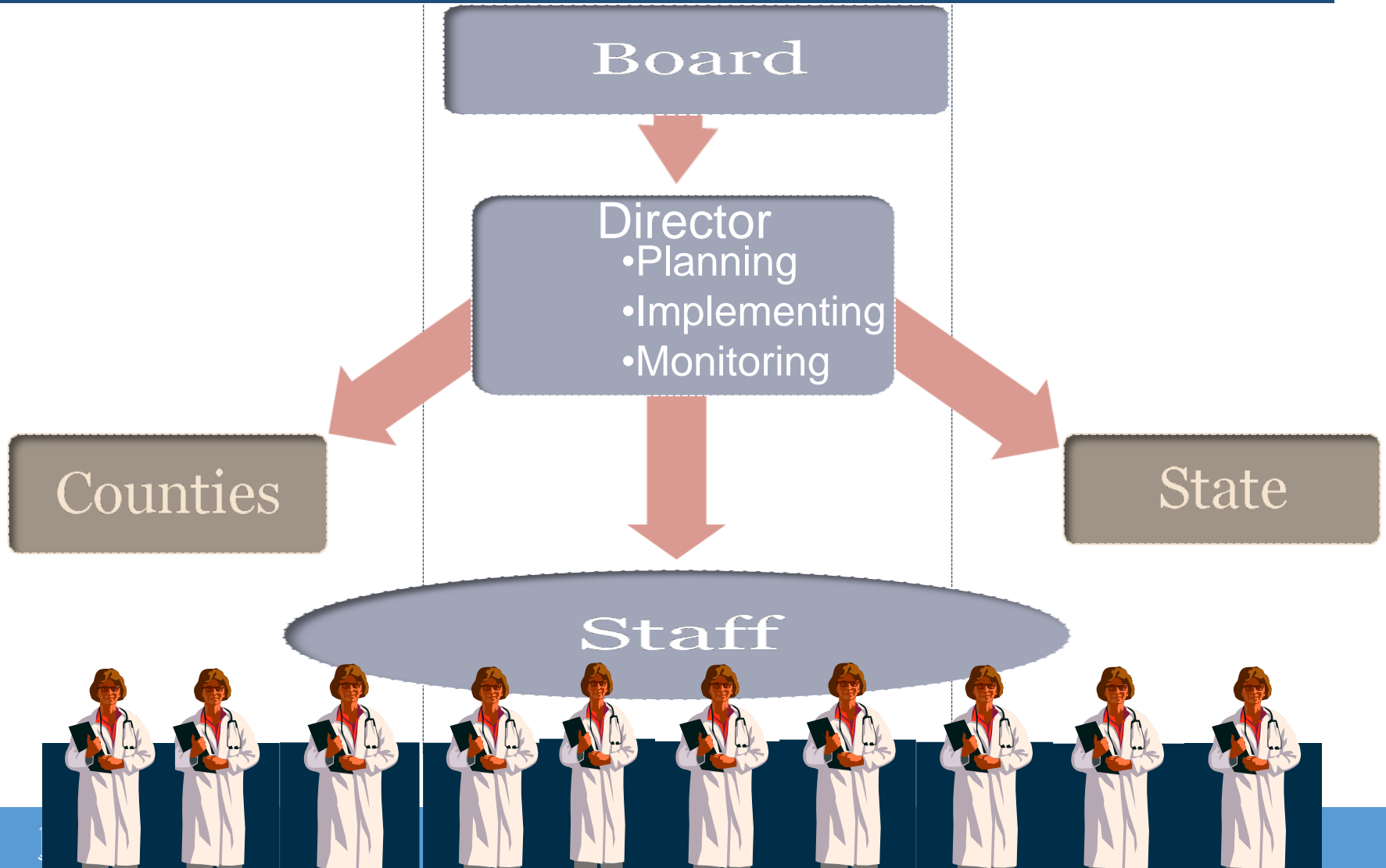


- Services
  - Access
  - Provider relations
  - Service management
  - Quality management
  - Community collaboration



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

# Organization



# What does an LME-MCO do?



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# What does an LME-MCO do?

- LME-MCOs are responsible for
  - Managing a network of publicly-funded contracted service providers within a specified **geographic area**
  - Authorizing specific services to individuals that are paid for with **available public resources** (Medicaid, State, County dollars)
- LME-MCOs do not provide services. They plan and monitor—and contract, **authorize and pay for**—services with public funds

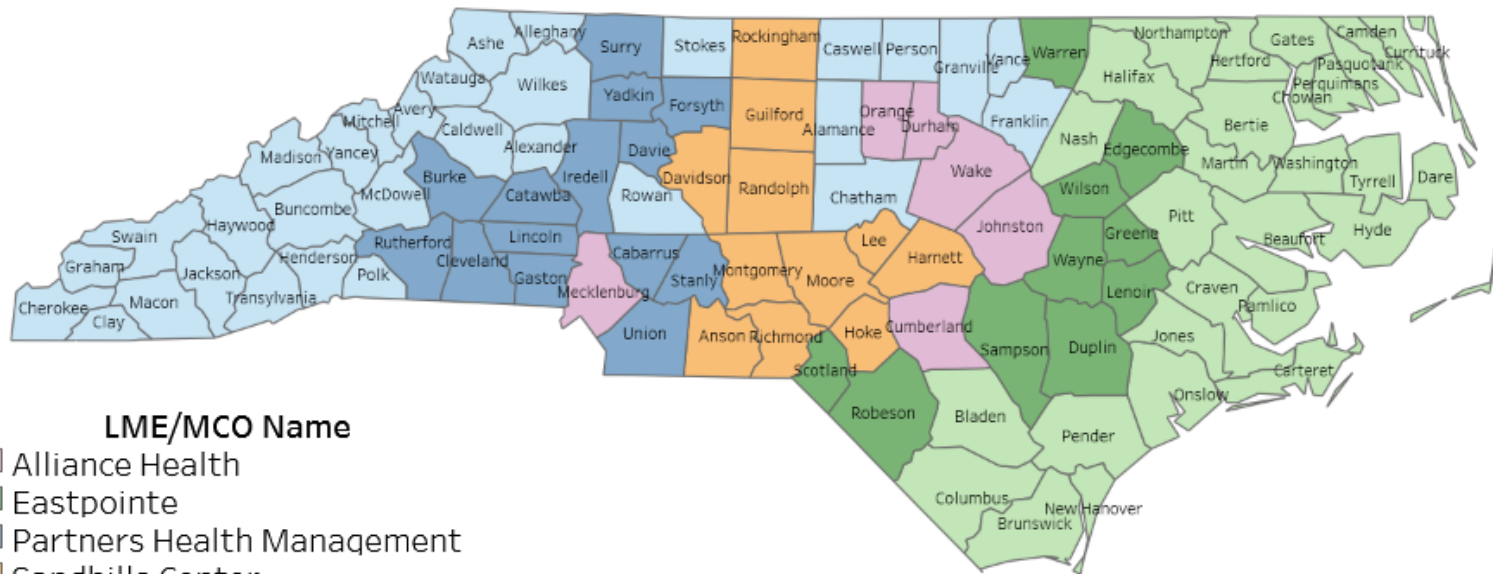
G.S. 122C-115.4



# LME-MCO Catchment Areas—2023

<https://www.ncdhhs.gov/providers/lmemco-directory>

**Local Management Entity/Managed Care Organizations (LME/MCOs)**  
NCDHHS Currently Has 6 LME/MCOs Operating Under the Medicaid 1915 b/c Waiver



## LME/MCO Name

- Alliance Health
- Eastpointe
- Partners Health Management
- Sandhills Center
- Trillium Health Resources
- Vaya Health

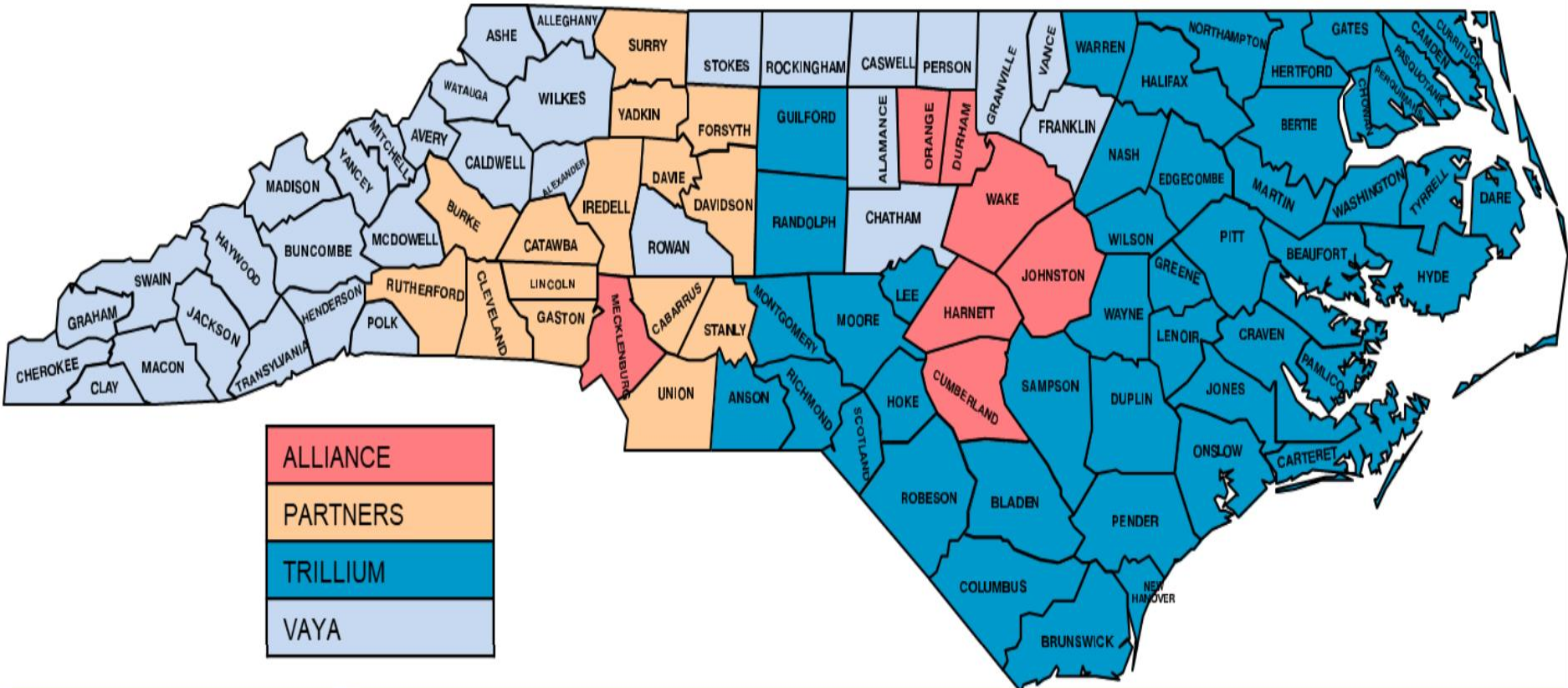
- Tailored Plan contracts awarded to all existing LME/MCOs
- Tailored Plan contracts effective July 1, 2024

# New Population Requirement

By January 1, 2024, the DHHS Sec'y

- Must reduce the number of LMEs from the existing six to “no more than five, and at least four.”
- May require the dissolution, merger, or consolidation of LMEs to achieve the population threshold and reduction of LMEs.

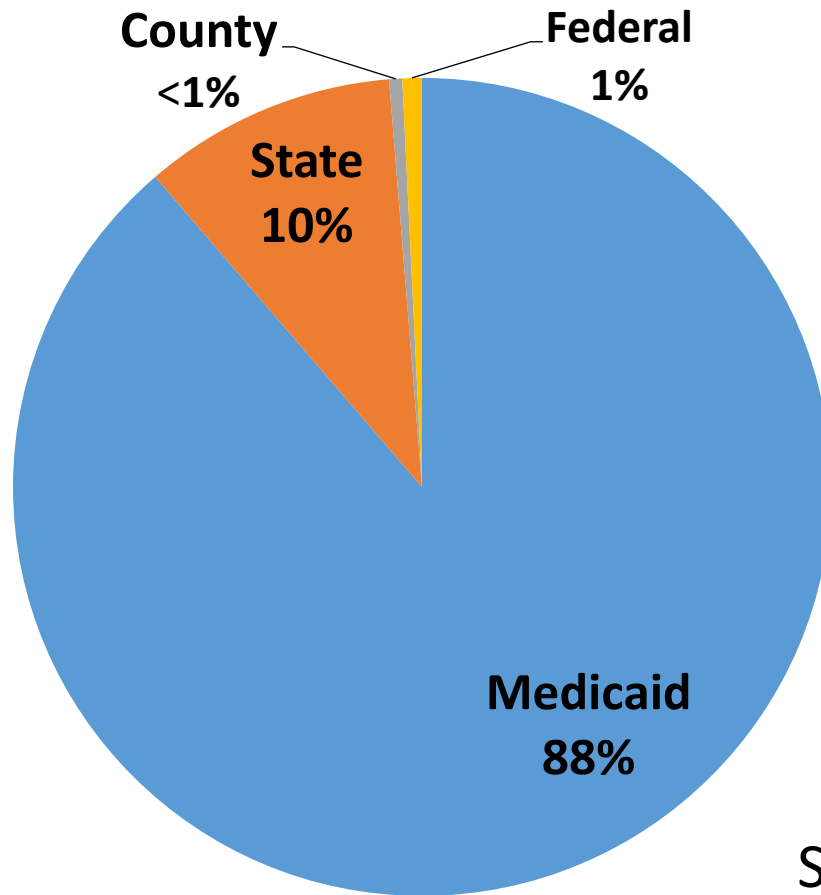
# LME/MCO COVERAGE MAP (AS OF FEB.1, 2024)



## LME/MCO Resulting LME/MCO County Alignment\*

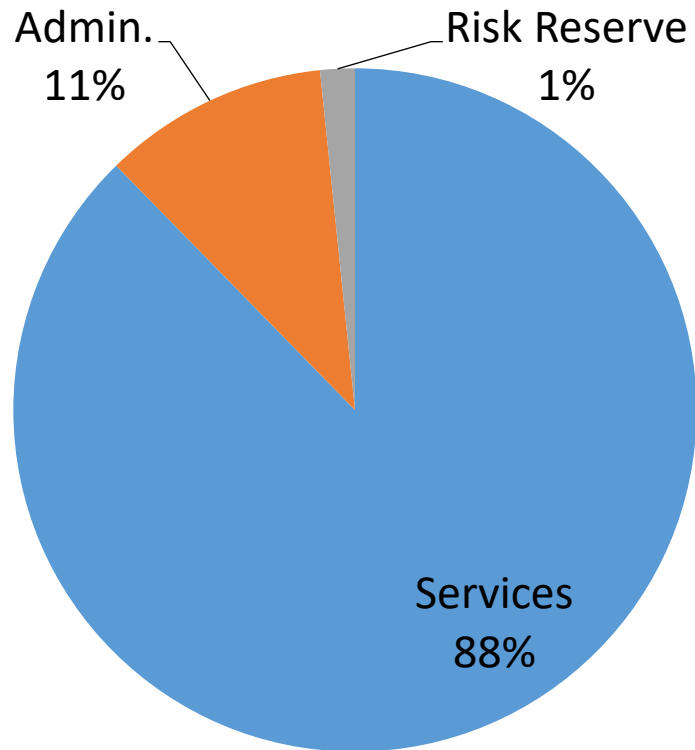
- Trillium takes the Eastpoint counties and all but 3 of the Sandhills counties
- Harnett to Alliance, Davidson to Partners, and Rockingham to Vaya,

# Who pays for LME-MCO Services?



Sample LME-MCO Revenues  
FY 2022-23

# Where does the money go?



Sample LME-MCO  
Budgeted Medicaid/State/Federal Expenditures

# Service Authorization



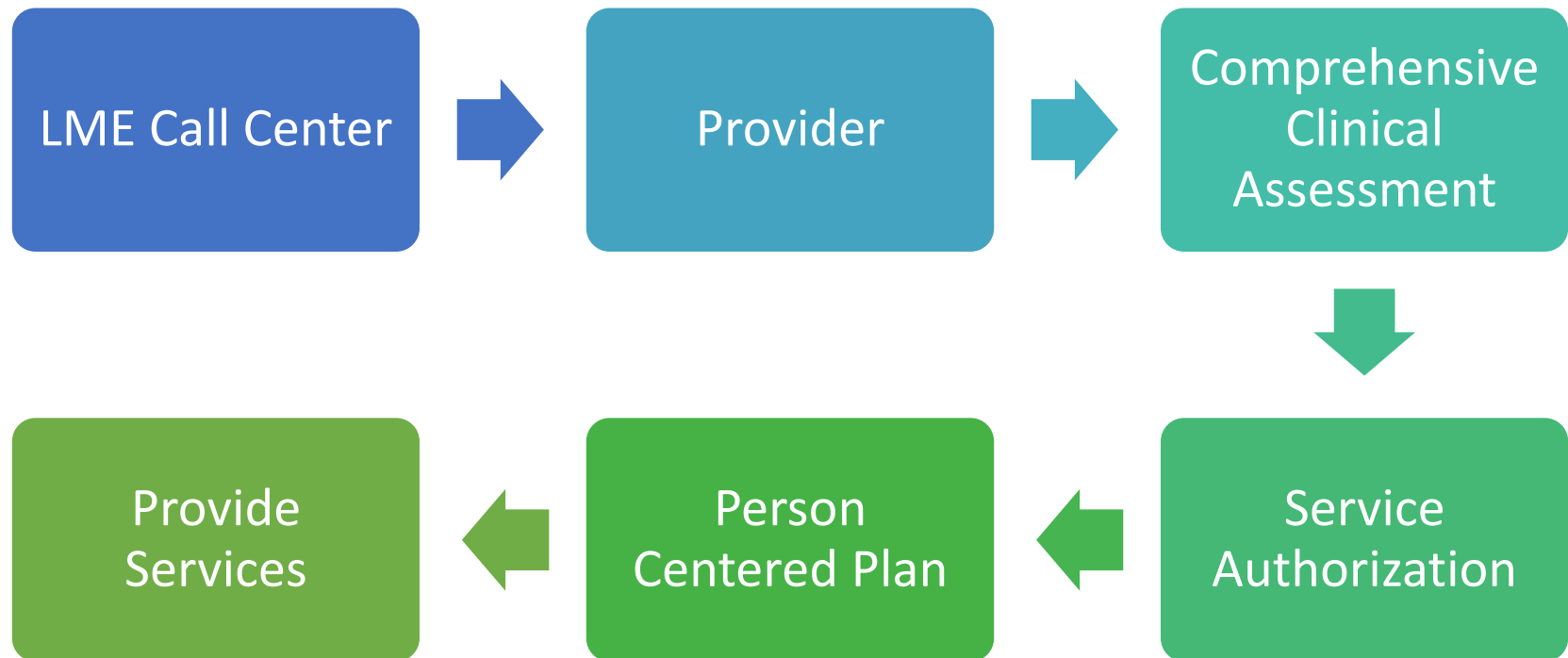
- Eligible individual?
- Covered service?
- Based on clinical assessment?
- Medically necessary?



LME-  
MCO

Provider

# Access and Service Authorization



# Referral Source for Services

Medicaid and State Funded Services  
Referrals by Source—July 21, 2001-March 22, 2022

**Note—This is only One Provider's Referral Sources**

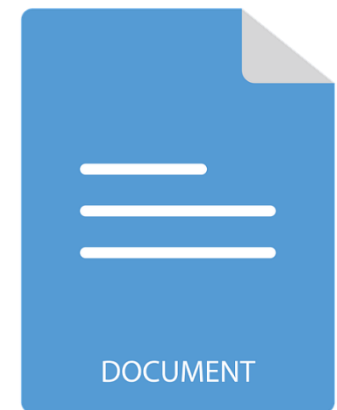
Primary Referral Source	Total
BH Urgent Care	6
Dept of Social Services	1659
EMS	64
Facility-Based Crisis	200
General hospital ED or Inpatient	1752
Jail/Detention/Prison Facility/Justice System	1768
Law Enforcement / DJJ	705
LME-MCO	119
Military/VA	24
Mobile Crisis Team	101
Nursing Home board and care /long term care facility	10
Other	296
Outpatient Medical Provider	832
Outpatient/Community MHDDSA Svcs or Supports	583
Peer Living Room	6
Psychiatric Inpatient Service	1499
Residential Facility	108
Schools	852
Self/family/friends	11050
State ADATC	26
State psychiatric hospital	19
Transition Management Services	2
(blank)	45
<b>Grand Total</b>	<b>21726</b>



# Comprehensive Clinical Assessment

A clinical and functional face-to-face evaluation of a person's MH, IDD, and SUD that provides the basis for a treatment or service plan.

- Identifies strengths and needs
- May include information from collateral sources, including prior treatment providers
- May include information from prior assessments
- Family/social history
- Diagnoses
- Evidence based treatment recommendations



# Comprehensive Clinical Assessment

Not only discusses needs and recommends services but also seeks authorization for services:

- Is prepared by a service provider for submission to the LME-MCO.
- Documents “medical necessity” —necessary for Medicaid payment—prior to provision of services.
- Formally asks the LME-MCO if it will pay for (authorize) the recommended service or services

# The Care Management Function

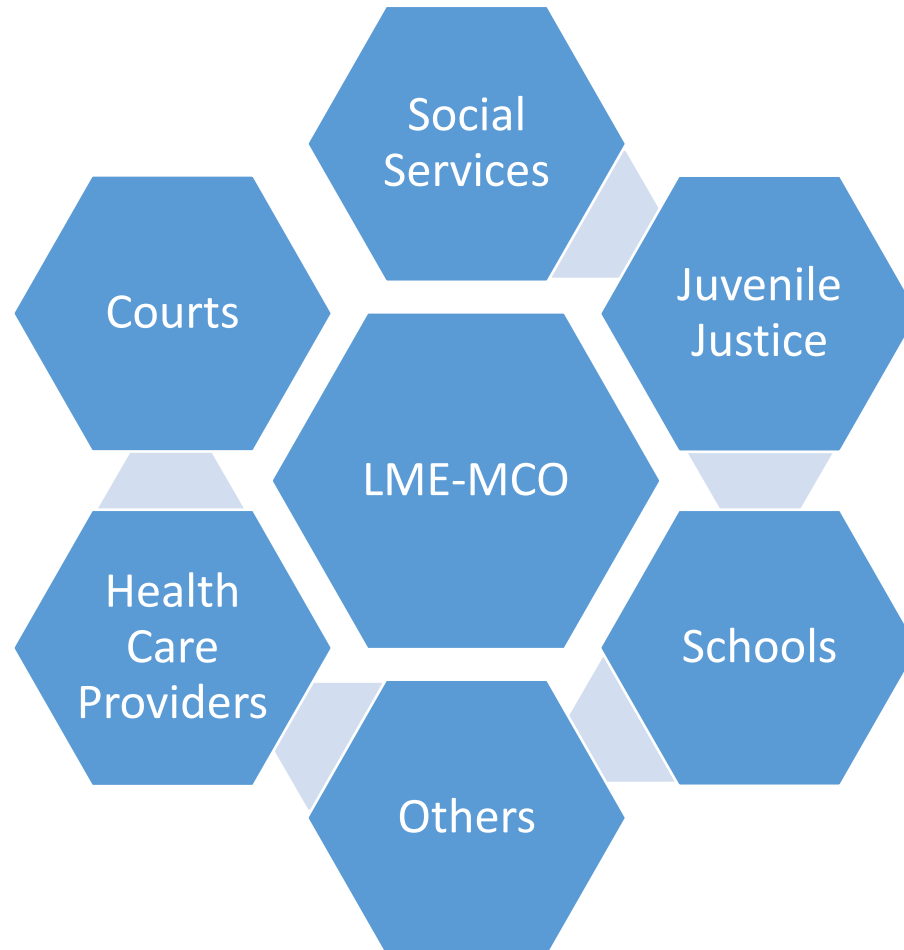
- Assess and coordinate all of a patient's needs
  - Physical health, behavioral health, IDD, TBI, employment, housing, etc.
- Multidisciplinary team of professionals that communicate and collaborate
  - Must use technology that bridges data silos across providers and plans
- Drives development of a care plan → \$\$\$
- Some LME-MCO contracted providers are certified to provide Care Management

# Community Collaboration

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

- *social services*
- *juvenile justice*
- *community hospitals*
- *courts*

# Collaborative Context



# What is the Role of County Government?



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# Establish the Agency

- A county shall provide mental health, developmental disabilities, and substance use disorder services through an area authority.
- Two or more counties acting jointly shall establish an area authority with the approval of the Sec'y of DHHS
- The catchment area of the area authority shall contain a minimum population of 1,500,000.
  - This is a new population threshold set by the state Appropriations Act of 2023.
  - Changes threshold from 500,000 to 1.5 million.

# What is the county role?

## Establish agency

- Minimum population of 1.5 million by 2024

## Appoint board

- Appoint members according to a plan jointly adopted by the participating counties
- At least 11 and no more than 21 voting members
- 11 prescribed categories of professional and constituent representation

## Appropriate funds

- May not reduce appropriations due to the availability of other funds

## Other duties

- Provide input into annual review of area director
- Assess financial health and service capacity



# What Services do LME-MCOs Provide?



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- Note: LME-MCOs do not provide BH IDD services directly to clients of services.
- Services must be provided through a network of contracted service providers.



**CHILD AND YOUTH SERVICES TREATMENT JOURNEY**

As treatment progresses, an individual's treatment journey should work to move from RED to BLUE.



# Advanced Access Clinics

## Walk-in clinics:

- For routine, urgent (at high risk of hospitalization if not served within 24-48 hrs) or emergent care (presenting w/ psychosis, suicidal or homicidal ideation, or need for detoxification); also available by appointment
- Can perform a CCA

# Outpatient Treatment

Preventive and ongoing mental health services provided in scheduled therapeutic treatment sessions.

- Individual therapy—meeting with a clinician to learn skills to deal with problems and symptoms
- Family therapy—meeting with a clinician to teach the family skills to deal with issues
- Group—A group of people dealing with similar issues. Helpful for substance use and social disorders

# Multi-Systemic Therapy

- Team working with youth and families to address legal, violence, social, or substance use issues.
- Schools, public safety, family and community systems may help create the treatment plan.
- Designed to keep youth living at home.
- May include crisis response, assessments, and individual and family therapy.

# Substance Abuse Intensive Outpatient Day Treatment

- A series of structured activities designed to assist individuals with addiction disorders to begin recovery and learn skills for recovery maintenance.
- A minimum of 9 hrs/week over a minimum of 3 days/week.
- Counseling, biochemical testing, life skills, relapse prevention, disease management, case management to link or coordinate other services.

# Child and Adolescent Day Treatment

- Day-long structured treatment service in a licensed facility
- Designed to take the place of traditional school or work settings.
- Focuses on symptom control, improving behavioral functioning, increasing the child's ability to couple with and relate to others, and enhance the child's capacity to function in an educational setting.

# Intensive In-Home

- A family preservation intervention designed to stabilize the living arrangement, promote reunification, or prevent out-of-home placement.
- A team working with family and youth to help with acute mental health issues or substance use disorders.
- Includes assessment and person-centered planning.
- Team works to diffuse the current crisis and develop a plan to reduce symptoms.
- May include individual and family therapy.





# Child Residential Services

Out-of-home treatment in a residential setting.

- Level 1—Family type-living that mirrors daily life in a family setting. Works on social, coping and relationship skills.
- Level 2—Family type (therapeutic foster care): children live in a home with trained therapeutic parents; usually no more than 2-3 children in the home. More focus on intense therapy and crisis response. Designed to improve relationships at school, work, and in communities, and return youth to home.
- Level 3—Group homes, often with 6 or more, similar to Level 2 but in a more secure and structured setting. Increased clinical direction, 24-hr per day supervision (awake staff).



# Psychiatric Residential Treatment Facility (PRTF)

- Services provided in a secure, locked facility.
- For youth needing supervision 24 hours per day for mental health issues or substance use disorders.
- Medically monitored and may include medications
- Focuses on verbal de-escalation of crises without resort to physical violence and on other skill building

# Mobile Crisis

- Crisis response dispatched to location of person in need with follow-up case management
- Available 24/7
- Some can do a CCA and arrange for ongoing services



# Assertive Community Treatment Team (ACTT)

Group of medical, behavioral, and rehabilitation professionals who are the first line provider of all services. Single point of responsibility, high frequency and intensity of contacts. Particularly for individuals with severe and persistent mental illness who may passively or actively resist services.

# Psychosocial Rehabilitation (PSR)

Often delivered in a club house model—for persons with severe and persistent mental illness, promotes recovery, self-reliance, friendships, community integration, coping skills, primarily through skill building groups

# Crisis Evaluation and Stabilization

To observe, stabilize, and refer to the least restrictive setting or service.

- BHUC = Behavioral Health Urgent Care—drop off site for IVC, 23-hr observation unit
- FBC = Facility Based Crisis—inpatient unit that can provide psychiatric and detox services—5-7 day avg. stay, discharged to outpatient treatment

# Resources

- LME-MCO Directory  
<https://www.ncdhhs.gov/providers/lmemco-directory>
- NC DHHS Medicaid Transformation page:  
<https://medicaid.ncdhhs.gov/transformation>
- County “playbook” (fact sheets, guides, educational materials, population):  
<https://medicaid.ncdhhs.gov/counties/county-playbook-medicaid-managed-care>
- Fiscal Research Division, Medicaid and NC Health Choice  
<https://www.ncleg.gov/documentsites/committees/JointAppropriationsHHS/2019%20Session/02-27-2019/Medicaid%20NCHC%20Intro%20Base%20Budget.pdf>



# Questions?

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