

Public Mental Health Services in North Carolina

Mark Botts, JD
Associate Professor of Public Law and Government
School of Government
UNC Chapel Hill

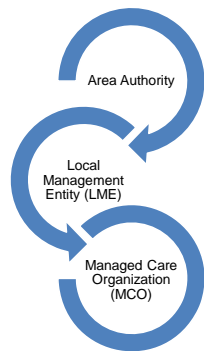
botts@sog.unc.edu
919-962-8204
919-923-3229



UNC
SCHOOL OF GOVERNMENT

www.sog.unc.edu

Terminology



Topics

1. What is an LME and what does it do?
2. What is the future under Medicaid Reform?
 - For LMEs?
 - For you?



3

WHAT IS AN LME AND WHAT DOES IT DO?

How are LMEs Established?

- A county must provide MH/DD/SA services through an area authority
- With DHHS Secretary approval
 - Boards of county commissioners must jointly establish an area authority
 - A county may “disengage” from one area authority 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
 - that describes the board composition, appointment, and selection process
- ❑ LME board statute
 - requires 11 to 21 voting members
 - 11 prescribed categories of professional and constituent representation

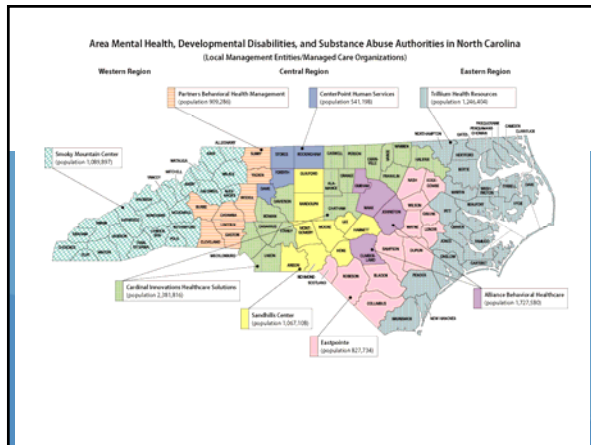
G.S. 122C-118.1, 122C-115.2

What Does an LME Do?

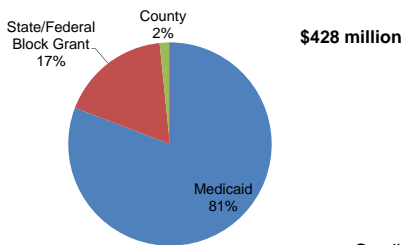
- ❑ LMEs are responsible for the management and oversight of the public system of MH/DD/SA services at the community level.
- ❑ An LME shall plan, develop, implement, and monitor services **within a specified geographic area** to ensure expected outcomes for consumers **within available resources**.

G.S. 122C-115.4



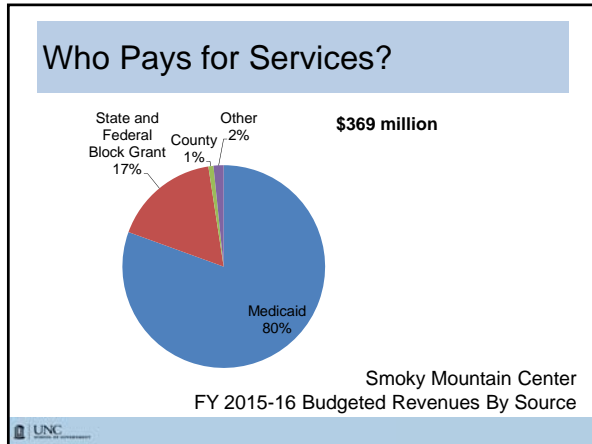


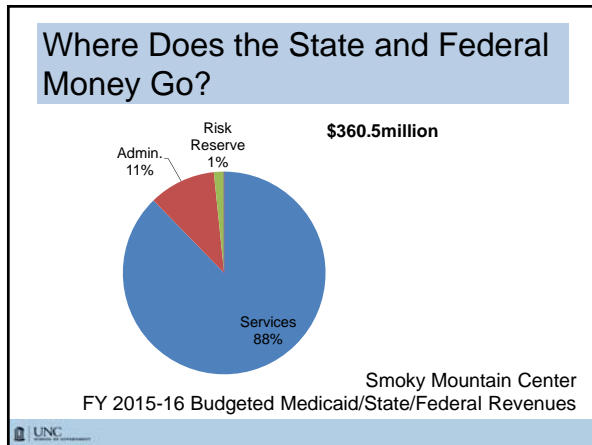
Who Pays for Services?



Cardinal Innovations
FY 2013-14 Revenue By Source









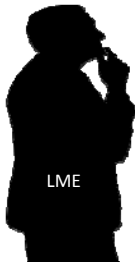
Service Management

- 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”



Managing Care

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



LME



Doctor Patient



Managing Care—Cost and Quality



LME

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



LME Provider



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



Collaborative Context



17

WHAT DOES THE FUTURE HOLD?



18

Medicaid Reform—S.L. 2015-245 (H 372)

- Establishes the Joint Legislative Oversight Committee on Medicaid and NC Health Choice
- Creates a new Division of Health Benefits (DBH) in DHHS
- Directs DHB to develop a federal waiver application to transform the Medicaid and NC Health Choice systems from a
 - fee for service system
 - ↓
 - managed care system

UNC

Managed Care Through Prepaid Health Plans

Prepaid Health Plan (PHP)=an entity

- that enters into a prepaid, capitated contract with DHB
- 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 geographic region defined by DHB—“catchment area”

UNC

Prepaid Health Plans=Two Types

- ☐ Commercial plan (CP)—
 - a profit or nonprofit entity
 - licensed by the Department of Insurance
- ☐ Provider led entity (PLE)—
 - majority of ownership held by individual or entity whose primary purpose is the operation of one or more Medicaid or NC Health Choice providers
 - majority of governing body composed of physicians, physician assistants, nurse practitioners, or psychologists
 - licensed by the Department of Insurance

UNC

Prepaid Health Plans

- ❑ Three statewide contracts with Commercial Plans
- ❑ Up to 10 regional contracts with Provider Led Entities



Providers

- ❑ PHPs must develop and maintain a provider network that meets the needs of its enrollees
- ❑ PHPs can exclude providers for failure to meet quality standards or refusal to accept network rates
- ❑ PHPs cannot exclude “essential providers”
 - Federally qualified health centers
 - Rural health centers
 - Free clinics
 - Local health departments
- ❑ All providers must submit data through the Health Information Exchange Network (must have an EHR)



Managing Care—Cost and Quality



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




PHP Provider



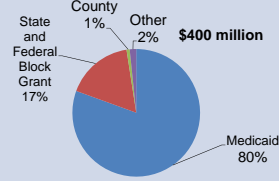

Timeline


- March 1, 2016—DHB reports to Oversight Committee
- June 1, 2016—DHB submits waiver application to Centers for Medicare & Medicaid Services (CMS)
- Within unknown period—CMS approves NC’s plan
- 18 months after CMS approval—PHP contracts begin and initial recipient enrollment is complete
- 4 years after contracts begin—LME/MCOs stop managing Medicaid behavioral health services

3-4 years → enrollees receive services through PHPs
 7-8 years → LME/MCOs lose Medicaid MCO contract



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?
 <p>\$400 million</p> <p>Medicaid 80%</p> <p>State and Federal Block Grant 17%</p> <p>Other 2%</p> <p>County 1%</p>	<ul style="list-style-type: none"> • 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 



Questions?

?

Resources:

- Mental health website soq.unc.edu/resources/microsites/mental-health
- “Mental Health Services,” by Mark F. Botts, in *County and Municipal Government in North Carolina*, Second Edition, 2014 soq.unc.edu/publications/book-chapters/mental-health-services

