

Responsible Change to Achieve Easy Access, Better Quality and Personal Outcomes

The Department of Health and Human Services is pursuing a policy for statewide expansion of a successful existing Medicaid 1915(b)(c) Waiver that has been in operation since 2005 in Davidson, Rowan, Cabarrus, Stanly, and Union counties. The primary goals of the waiver are to:

- improve access to services
- improve the quality of care
- ensure services are managed and delivered within a quality management framework
- empower consumers and families to shape the system through their choices of services and providers
- empower Local Management Entities (LMEs) to build partnerships with consumers, providers and community stakeholders to create a more responsive system of community care

The 1915(b)(c) Waiver achieves these goals by providing tools to the LME operating under the waiver. This type of waiver combines state, federal, and Medicaid funding for Mental Health, Developmental Disabilities and Substance Abuse Services into a funding model based on the LME's per person cost for the Medicaid population, which is called a "capitation". In other words, the funds are paid "up front" and the LME is responsible to manage care within the amount provided. They can provide this management by using tools such as:

- care coordination
- flexible rate setting
- limiting the provider network
- utilization management

Ongoing consumer and family involvement to develop policies and procedures that promote positive personal outcomes and consumer rights is a key component to the waiver's success. There also are very strict federal requirements and protections for service recipients to ensure quality, access to services, and choice of provider. Expansion of the current waiver will result in greater consistency across the state in the services that are provided, in how services are accessed, and in expectations and requirements for providers. As a publically managed waiver it allows for the potential of reinvesting savings into existing or new services and supports predictability and stability in funding.

Statewide expansion of the 1915(b)(c) Waiver has been a policy initiative since 2005 and LMEs have been preparing to take on these management responsibilities. In 2010 four LMEs applied in a competitive bidding process to operate a Medicaid managed care program for mental health, substance abuse, and developmental disabilities services under a 1915 (b)/(c) waiver and they are working toward implementation. On April 1, 2011 the Department of Health and Human Services solicited applications for additional LMEs to apply to operate managed care under a waiver. This maintains the commitment to public management of the MH/DD/SA system but will result in further consolidation of LME administrative functions. This consolidation, recommended by several studies, will result in greater cost efficiency and administrative consistency.

As with any policy initiative there will be questions and concerns. We look forward to working with our stakeholders to find solutions and ensure that the 1915(b)(c) waiver supports and improves the lives of those served.