

Public Mental Health Services in North Carolina

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Terminology



Topics

1. What is an LME/MCO and what does it do?
2. What is the county's role?
3. What is the future under Medicaid Reform?



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:
 - Two or more BOCCs must jointly establish an area authority
 - 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 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**.

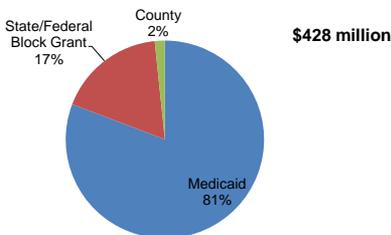
G.S. 122C-115.4



Area Mental Health, Developmental Disabilities, and Substance Abuse Authorities in North Carolina (Local Management Entities/Managed Care Organizations)



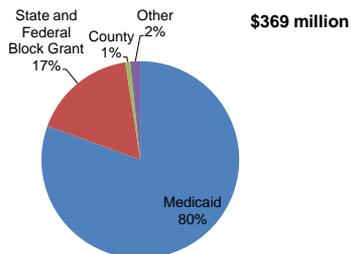
Who Pays for Services?



Cardinal Innovations FY 2013-14 Revenue By Source



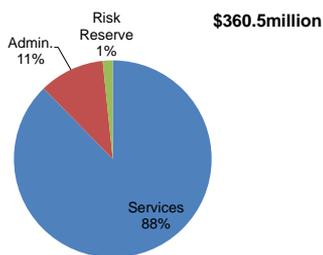
Who Pays for Services?



Smoky Mountain Center
FY 2015-16 Budgeted Revenues By Source



Where Does the State and Federal Money Go?



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



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?





Managing Care

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





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.



State Must Document Promise Is Kept

Heightened Responsibility—MCO functions require area authorities to meet

- more rigorous financial accountability standards
- more intensive information management, analysis, and reporting

- Adequate provision against risk of insolvency
- Timely provider payments
- Adequate exchange of information (billing, payment, other transaction data) with DHHS and providers

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

Recommendation—Ask your LME how they are collaborating with other agencies, including social services, juvenile justice, community hospitals, and the courts.

Collaborative Context



LME Duty—Community Collaboration

- 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

Recommendation—Ask your LME to describe its collaborative efforts with community hospitals, law enforcement, the courts, and their contracted providers to prevent, stabilize, and engage.

WHAT IS THE ROLE OF COUNTY GOVERNMENT?

What is the County Role?

1. Establish the agency
2. Appoint the governing body
3. Appoint a commissioner to the county commissioner advisory board
4. Appropriate funds
5. Comment during annual review of LME director
6. Assess LME's capacity to meet service needs
 - Quarterly service delivery reports
 - Annual progress report
7. Adopt an LME business plan

Counties Shall Appropriate Funds

- And shall not reduce county appropriations and expenditures for current operations and ongoing programs *because of the availability* of State allocated funds, fees, capitation amounts, or fund balance to the area authority.

G.S. 122C-115.

Recommendation—Ask your LME to talk about the programs that wouldn't be available without county dollars.

- crisis services?
- jail services?
- forensic evaluations?
- multidisciplinary evaluations?

Annual Performance Review

- LME board must annually evaluate its appointed LME director for performance in specified areas, including
 - Developing and maintaining effective relationships with the community served and with state and local officials
- The LME board must consider comments from the boards of county commissioners

LME Reporting to Counties

- Quarterly financial reports
- Quarterly service delivery reports that assess the quality and availability of services
- Annual progress report assessing the LME's ability to meet the service needs of its catchment area.
- Approved budget and annual audit

LME Business Plan

Each county through its area authority must develop, review, and approve a business plan for the management and delivery of services that addresses

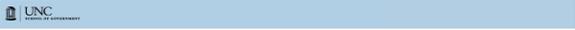
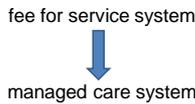
- Planning to identify service gaps and ways to fill those gaps
- Collaboration with other local service systems to ensure access to and coordination of services

G.S. 122C-115.2

WHAT DOES THE FUTURE LOOK LIKE?

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



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”



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



Timeline

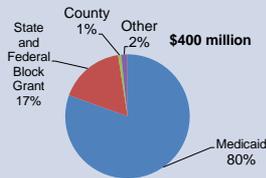
- March 1, 2016—DHB reports to Oversight Committee
- June 1, 2016—DHB submits waiver application to Centers for Medicare & Medicaid Services (CMS)
- Within unknown period—CMS approves NC’s plan
- 18 months after CMS approval—PHP contracts begin and initial recipient enrollment is complete
- 4 years after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

- 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



Other Competing Policy Proposals

- Accelerate time schedule for dissolution of LME/MCOs and utilize their assets to build a system for private MCOs
- Special Needs Plans--Separately manage population that has high need for behavioral healthcare. Permit LME/MCOs to compete for MCO contracts for managing physical and behavioral healthcare for special needs population.



Questions?



Resources:

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

