Fact Sheet #1
Introduction to Medicaid Transformation: Part 1 – Overview

NC Medicaid 2019 County Playbook

What is Medicaid Transformation?

Medicaid Transformation is changing the way most people receive Medicaid services. In 2015, the NC General Assembly enacted Session Law 2015-245, which directed the Department of Health and Human Services (DHHS) to transition Medicaid and NC Health Choice from fee-for-service to managed care.

Under the fee-for-service model, DHHS reimbursed physicians and healthcare providers based on the number of services they provide or the number of procedures they order. This model will now be known as **NC Medicaid Direct**. Only a small number of people will stay in Medicaid Direct.

Under Managed Care, instead of contracting directly with providers, the State will contract with insurance companies, called Prepaid Health Plans or PHPs. These insurance companies will be paid a pre-determined set rate per person to provide all services, known as a capitated rate. This model is known as **NC Medicaid Managed Care**. Approximately 1.6 million of the current 2.1 million Medicaid beneficiaries will transition to Medicaid Managed Care.

CHANGES FOR MEDICAID BENEFICIARIES

Medicaid Managed Care will bring changes for most Medicaid beneficiaries.

- Medicaid services under Managed Care will now be administered by health plans.
- Beneficiaries will be able to choose their health plan and primary care provider (PCP). They will have new support systems available to help them make that choice.
- Medicaid services will not change, but the health plans may offer enhanced services to their plan members, such as smoking cessation programs.
- Medicaid eligibility rules will not change because of Medicaid Transformation.

Local Departments of Social Services (DSS) will have materials to share with beneficiaries about the changes. Current beneficiaries will receive information by mail that outlines actions to be taken, when to take those actions, and who they can contact for assistance.

KEY TERMS YOU SHOULD KNOW

ELIGIBILITY refers to whether a person qualifies for Medicaid or NC Health Choice. Eligible individuals may need to enroll in a health plan.

ENROLLMENT is the process of joining a health plan that is responsible for that person's Medicaid health coverage.

BENEFICIARY refers to a person who is eligible for Medicaid or NCHC. Once a beneficiary enrolls in a health plan, he or she becomes a **MEMBER** of that health plan.

Within Medicaid Managed Care, there are **STANDARD PLANS** (members will benefit from integrated physical & behavioral health services) and **TAILORED PLANS** (specialized plans that offer integrated services for members with significant behavioral health needs and intellectual/developmental disabilities).

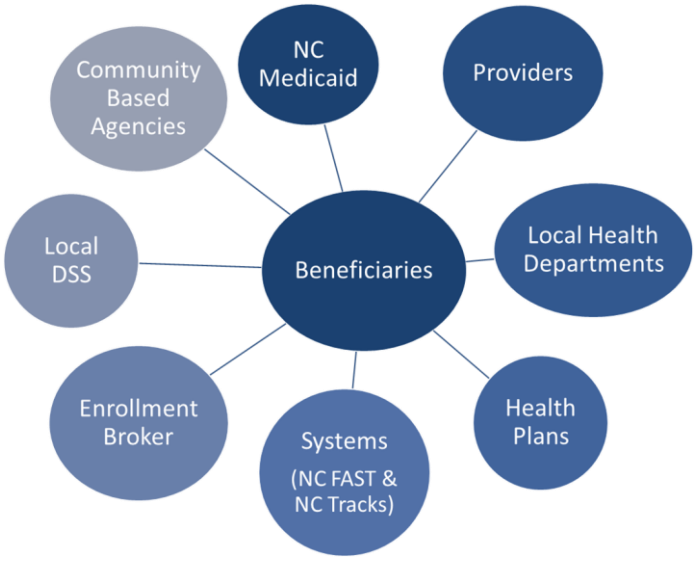
NC Medicaid determines the populations in Managed Care who will enroll in a health plan:

MUST ENROLL	CANNOT ENROLL	MAY ENROLL
Required to enroll in a health plan.	Stays in Medicaid Direct.	May enroll in a health plan or stay in Medicaid Direct.
Most Family & Children's Medicaid, NC Health Choice, Pregnant Women, Non-Medicare Aged, Blind, Disabled. (MANDATORY)	Family Planning Program, Medically Needy, Health insurance premium payment (HIPP), Program of all-inclusive care for the elderly (PACE), Refugee Medicaid (EXCLUDED*)	Federally recognized tribal members, beneficiaries who would be eligible for behavioral health tailored plans (until they become available)** (EXEMPT)

*Some beneficiaries are temporarily excluded and become Mandatory later. This includes dually-eligible Medicaid/Medicare, Foster Care/Adoption, & Community Alternatives Program for Children (CAP-C).

**Target launch date for Tailored Plans is mid-2021.

KEY PARTNERS AND THEIR ROLES



Beneficiaries are at the center of this process. Partners need to work together to support beneficiaries through this transformation and ongoing.

- **NC Medicaid**: provide Medicaid supervision, oversight of health plans and other partners
- **Local DSS**: determine Medicaid eligibility, update beneficiary information, Medicaid case management
- **NC FAST & NC Tracks**: these systems will continue to transmit beneficiary information; NC FAST will remain the system of record.
- **Enrollment Broker**: unbiased, third party entity to provide enrollment assistance and help choosing a plan; outreach & education to beneficiaries.
- **Health Plans**: provide health care and related services to their members
- **Providers**: will contract with the health plans; must continue to enroll as an NC Medicaid or NC Health Choice provider
- **Local Health Departments**: continue to provide services under Medicaid Direct; may contract with health plans for some services
- **Community based-agencies**: disseminate information to help educate the public on changes to Medicaid; provide feedback to DHHS from clients they serve

We will also partner with an **Ombudsman**, someone who is appointed to help resolve complaints. More information will be forthcoming.

WHAT DOES MEDICAID TRANSFORMATION MEAN FOR YOU?

The local DSS will be impacted by Medicaid Transformation. As with beneficiaries, many things will stay the same, but some things will change. This playbook is one tool to help you understand what is changing. NC Medicaid will continue to provide in-person training for each local DSS to help you stay informed and learn how to help beneficiaries.

DSS Directors should be aware of timelines associated with Medicaid Transformation and ensure that related information and communications (like these Fact Sheets) are shared with county partners and with staff. All staff who interact with beneficiaries should be aware of Medicaid Transformation and the changes it brings. Directors can contribute to the success of this initiative by ensuring staff participate in upcoming DSS Medicaid Transformation training, interacting and collaborating with DSS liaisons from the Enrollment Broker and the health plans, and by championing this change. Be on the lookout for "**BUDGET CONSIDERATIONS"** in other Fact Sheets to help facilitate conversations about budgeting.

DSS Program Managers and Supervisors have a similar role. We encourage you to provide staff with opportunities to participate in training. Discuss upcoming changes with your teams and work to understand the role of the Enrollment Broker and health plans. Share information and materials with your staff as it becomes available and participate in Medicaid Transformation training.

DSS Direct Line Staff should actively participate in training and be prepared to answer beneficiary questions related to Medicaid Transformation. You will not know all the answers – the best customer service you can provide is to direct beneficiaries and members to the right place. A goal of NC Medicaid is to support you with the information you need.

Please make a point to update contact information at **every interaction** with beneficiaries! NC FAST will remain the system of record. Keeping addresses up-to-date is very important.

Please see below for a summary of how the role of the local DSS will change.

More information on key dates and milestones within Medicaid Transformation are provided in the **Introduction to Medicaid Transformation: Part 2 – Enrollment Fact Sheet.**

County DSS will CONTINUE:

- Processing Medicaid applications, changes and redeterminations.
- Generating replacement Medicaid cards for NC Medicaid Direct.
- Non-Emergency Medical Transportation (NEMT) for NC Medicaid Direct.
- Updating Primary Care Provider (PCP) for NC Medicaid Direct.

County DSS will not be responsible for:

- Choice counseling to help beneficiaries choose a health plan.
- Enrolling beneficiaries in health plans.
- NEMT for health plan members.
- Updating health plan or PCP for health plan members.
- Generating replacement health plan ID cards.

County DSS will START:

- Referring beneficiaries to the Enrollment Broker for health plan choice counseling & enrollment assistance.
- Referring beneficiaries to their health plan for PCP updates, NEMT, and other requests related to their health plan.

GOALS FOR DAY 1 OF MANAGED CARE

The Department of Health and Human Services' (DHHS) highest priority is the health and well-being of the people it serves. DHHS is committed to improving the health and well-being of North Carolinians through an innovative, whole-person centered and well-coordinated system of care that addresses both medical and non-medical drivers of health. DHHS' main focus for Medicaid Transformation is that on Day 1:

- A person with a scheduled appointment will be seen by their provider;
- A person's prescription will be filled by the pharmacist;
- Calls made to call centers are answered promptly;
- Individuals know their chosen or assigned health plan;
- Individuals have timely access to information and are directed to the right resource;
- Health plans have sufficient networks to ensure member choice;
- A provider enrolled in Medicaid prior to the launch of Medicaid health plans will still be enrolled; and
- A provider is paid for care delivered to members through evidence-based interventions designed to address non-medical factors that drive health outcomes and costs.

Fact Sheets will be updated periodically with new information. Created 5/16/2019.
For more information, please visit https://www.ncdhhs.gov/assistance/medicaid-transformation