



**North Carolina Department of Health and Human Services
Division of Medical Assistance**

Medicaid Waivers

Medicaid State Waiver Options

- Waive provisions of Social Security Act (SSA)
 - Each waiver number refers to a section of SSA
 - Each waives provisions of Section 1902 (requirements for State Plans)
 - 1115, 1915(b), 1915(c), 1915(b)/(c)

Waiver Options

Section 1115 Research and Demonstration Projects

- Experimental, pilot, or demonstration projects
 - expand eligibility
 - provide services not typically covered
 - innovative service delivery systems

Section 1115 Research and Demonstration Projects

- 5 years (initial)
- budget neutral
- Open-ended application process
- “Demonstration Proposal”
 - eligibility, coverage and benefits
 - delivery system, administration
 - access, quality
 - financing/budget neutrality
 - evaluation & reporting

Section 1115 Research and Demonstration Projects

NC Be Smart Family Planning Waiver

- Budget Neutral
 - Reduced costs associated with births averted offset costs of the Waiver plan services
- Expanded eligibility for family planning services

Waiver Options

Section 1915(b) Managed Care/Freedom of Choice Waivers

- Used for specialty (BH) carve-outs
- Managed care
 - Limit provider networks
 - MCO: PCCM, PIHP, Physician Networks
 - **Share of Cost Savings (Risk reserve)
 - Expand eligibility

Section 1915(b) Managed Care/Freedom of Choice Waivers

- Most frequently waived provisions are:
 - Freedom Of Choice
 - Statewideness (do not need to be state-wide)
 - Comparability of Services
 - Participation
- Cannot negatively impact beneficiary access or quality of care

Section 1915(b) Managed Care/Freedom of Choice Waivers

- 90 day review process
- Fewer eval requirements than 1115
- 2 years approval
- cost effective
 - PMPM eligibility categories
 - Includes administrative costs

Section 1915(b) Managed Care/Freedom of Choice Waivers

- Independent assessment
 - First 2 waiver periods
- Program Impact
 - marketing
 - grievance procedures
- Access
- Quality
 - provider selection
 - authorization standards

Section 1915(b)

Piedmont Behavioral Healthcare (PBH)

- Statewideness—only specific counties
- Comparability of Services—includes addtl benefits not available to other Medicaid beneficiaries
- Freedom of Choice—must receive certain services through a PIHP
- Participation—mandates enrollment into single PIHP, restricts disenrollment

Section 1915(b)

Piedmont Behavioral Healthcare (PBH)

- Lessons Learned
 - Challenge is NOT CMS application
 - Challenge IS Implementation challenges to system
 - Provider to manager
 - IT/IS challenges
 - Quality provider relations

(Judy Walton, DMA)

Waiver Options

Section 1915 (c) Home and Community-Based Services (HCBS) Waivers

- Allows long-term care services to be delivered in community settings
- Can limit the number of recipients
- Combination of traditional medical services and non-medical services

Section 1915 (c) Home and Community-Based Services (HCBS) Waivers

- Most frequently waived provisions:
 - Statewideness
 - Comparability of Services
 - Income and Resource Rules in the Community

Section 1915 (c) Home and Community-Based Services (HCBS) Waivers

- Serve any of the following:
 - Elderly
 - persons with physical disabilities
 - Persons with intellectual/developmental disabilities
 - Persons with mental illness
- cost neutrality (ex. ICF-MR)
- Initial 3 year; 5 year renewals

Current NC 1915 (c) Waivers

- 1915 (c) Piedmont Innovations Waiver
- 1915 (c) CAP for Disabled Adults (CAP/DA)
- 1915 (c) Comprehensive Waiver (CAP-MR/DD)
- 1915 (c) Supports Waiver (CAP-MR/DD)
- 1915 (c) CAP for Children (CAP/C)
- 1915 (c) CAP/Choice (Cabarrus, Duplin, Forsyth and Surry counties)

Waiver Options

Combined 1915 (b)/(c) Waivers

- 1915(b) to limit freedom of choice
- 1915(c) to target eligibility and provide HCBS
 - = Long-term care services in a managed care environment

Combined 1915 (b)/(c) Waivers

- Meet Federal requirements for both (b)/(c)
 - Separate applications (initial & renewal)
 - Cost neutrality & cost effectiveness
 - Separate reporting
- Has been difficult for some states
- States can do phased waiver process

MH/SA Services Waivers Facts/FAQ

MH/SA Waivers

- 34 + States are using waivers to implement managed care plans
 - Improve efficiency
 - Improve quality & access
 - Cost containment
 - 1915(b)
- **Current trend:** Managed care tools in existing infrastructures

MH/SA Waivers: How many waivers?

- Multiple waivers in state
 - Can result in complications for providers/recipients
- One state-wide waiver
 - Centralized MCO
 - Still need local infrastructure
 - Regional MCOs
 - Allows for state continuity w/regional variations
 - Can have phased implementation

MH/SA Waivers: MCO Structure

Basic Models

- Carve-in
 - Integration between medical & BH
- Carve-out
 - 83% of states
 - Better coordination with non-health systems
 - Better accountability of behavioral health expenses
- Managed fee-for-service (FFS)

MH/SA Waivers

What is financial risk to MCO?

Payment Strategies

- Comprehensive Risk Contract*
- Risk contract*
 - Capitation: PMPM
 - *MCO incurs loss if cost of service exceeds capitation payment
- Administrative Services Only
 - No financial risk