



nc department
of health and
human services

Legislation passed in 2011 requires the N. C. Department of Health and Human Services (DHHS) to restructure the management responsibilities for the delivery of services to individuals with mental illness, intellectual and developmental disabilities, and substance abuse disorders through the 1915 (b)/(c) Medicaid Waiver.

What is the 1915 (b)/(c) Medicaid Waiver?

Background

The term, 1915 (b)/(c) Medicaid Waiver, refers to two sections of the Social Security Act that allow states to apply for waivers from federal Medicaid policy. The (b) Waiver allows Medicaid beneficiaries to enroll in managed care plans and allows Medicaid to limit the provider network based upon needs of recipients. The (c) Waiver provides home and community-based care to Medicaid beneficiaries who would otherwise be institutionalized.

Legislation passed in 2011 requires the N. C. Department of Health and Human Services (DHHS) to restructure the management responsibilities for the delivery of services to individuals with mental illness, intellectual and other developmental disabilities, and substance abuse disorders through the 1915 (b)/(c) Medicaid Waiver. The goal of the legislation is the establishment of a system that is capable of managing public resources available for mental health, intellectual and other developmental disabilities and substance abuse services, including federal block grant funds, federal funding for Medicaid and Health Choice, and all other public funding sources.

Pilot Program

The state-wide expansion of the 1915 (b)/(c) Waiver follows a pilot program by DHHS and PBH in five counties (Cabarrus, Davidson, Rowan, Stanly and Union) that began on April 1, 2005. The pilot program has demonstrated that quality mental health, developmental disabilities and substance abuse services can be provided through private and public sector cooperation and at a lesser or comparable cost than the rest of the Medicaid programs.

Goals

There are multiple goals for expanding the 1915 (b)/(c) Medicaid Waiver that include:

- Improve access to Mental Health/Developmental Disabilities/Substance Abuse (MH/DD/SA) services
- Improve quality of MH/DD/SA services
- Improve outcomes for people receiving MH/DD/SA services
- Improve access to primary care services for people with mental illness, developmental disabilities and substance abuse issues
- Improve cost benefit of services
- Empower consumers and families to shape the MH/DD/SA services system through their choices of services and providers
- Effectively manage all public resources assigned to the MCOs
- Provide predictable Medicaid costs



Management

The MH/DD/SA services for Medicaid recipients and the uninsured in NC will be managed by 11 Local Management Entities (LMEs) that will function as Managed Care Organizations based upon the pilot model created by DHHS and PBH. Implementation is being staged in tiers which began in October 2011 with the last set of LME-MCOs planning to begin operation in January 2013. State law requires the transition of the entire state to the 1915 (b)/(c) Medicaid Waiver by July 1, 2013. The additional 6 months in the schedule allow for flexibility in the calendar to ensure success.

For a detailed implementation plan, visit www.ncdhhs.gov/dma/lme/MHwaiver.htm or www.ncdhhs.gov/mhddsas/providers/1915bcWaiver/.

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