

# North Carolina's Medicaid Transformation: *Challenges and Opportunities*

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*Duke University School of Medicine  
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# Disclosures

I do not intend to discuss any unapproved or investigative use of commercial products or devices.

# Educational Objectives

- ❖ **Describe the phases of Medicaid Transformation between 2019 and 2021**
- ❖ **Explain the differences and similarities between Standard Plans and Tailored Plans**
- ❖ **Identify at least one challenge and one opportunity for psychiatrists in Medicaid Transformation**

# Agenda

- Review the **Background** for Medicaid Transformation
- Review the **Key Elements** of Medicaid Transformation
  - Healthy Opportunities Pilots
  - Managed Care Health Plan Types
    - Standard Plans
    - BH/IDD Tailored Plans
  - Care Management
  - Quality Measures
- Discuss **Challenges and Opportunities** of Medicaid Transformation
- Discuss **Role of Psychiatrists** in Medicaid Transformation

# North Carolina by the Numbers

**Population - 10,388,837 persons\***

**Uninsured Ages, 3-64 years old - 1,022,018\***

**Persons Enrolled in Medicaid – 2,033,773\*\***

**\*Produced by U.S. Census Bureau/Small Area Health Insurance (SAHIE) Program. Internet Release Date: 3/6/18. (<https://www.census.gov/data/datasets/time-series/demo/sahie/estimates-acs.html>). Downloaded 6/5/18, applied to July 2018 population estimates provided by NC OSBM (<https://www.osbm.nc.gov/demog/county-projections>). Last updated 10/2/17. Downloaded 3/22/18.**

**\*\*Unduplicated count of Medicaid Eligibles reported from NC OSBM website <https://linc.osbm.nc.gov/pages/social-human-services/>.**

# Unmet Health-related Social Needs

- More than **1.2M** North Carolinians cannot find affordable housing
- **1 in 28** of NC children under age 6 is homeless
- NC has **8th** highest rate of food insecurity in US
- **> 1 in 5** children live in food insecure households
- **47%** of NC women have experienced intimate partner violence

*Draft Buying Health for North Carolinians: An Empirical Blueprint to Bridge Health and Human Services*, Elizabeth Cuervo Tilson, MD, MPH, State Health Director and Chief Medical Officer, NC Department of Health and Human Services, 2019

# Legislative Directive to Transform Medicaid

In **2015**, the North Carolina General Assembly enacted Session Law 2015-245 for the North Carolina Department of Health and Human Services (DHHS) to transition the Medicaid and NC Health Choice programs into **Medicaid Managed Care** - from fee-for-service to managed care.

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2015

SESSION LAW 2015-245  
HOUSE BILL 372

AN ACT TO TRANSFORM AND REORGANIZE NORTH CAROLINA'S MEDICAID AND NC HEALTH CHOICE PROGRAMS.

The General Assembly of North Carolina enacts:

**PART I. TRANSFORMATION OF MEDICAID AND NC HEALTH CHOICE PROGRAMS**

**SECTION 1.** Intent and Goals. – It is the intent of the General Assembly to transform the State's current Medicaid and NC Health Choice programs to programs that provide budget predictability for the taxpayers of this State while ensuring quality care to those in need. The new Medicaid and NC Health Choice programs shall be designed to achieve the following goals:


- (1) Ensure budget predictability through shared risk and accountability.
- (2) Ensure balanced quality, patient satisfaction, and financial measures.
- (3) Ensure efficient and cost-effective administrative systems and structures.
- (4) Ensure a sustainable delivery system.

**SECTION 2.** Role of the General Assembly. – The General Assembly shall have the following roles and responsibilities in Medicaid and NC Health Choice transformation and governance:

- (1) Define the overall goals of transformation and the structure of the delivery system for the programs.
- (2) Monitor the development of transformation plans and implementation through the Joint Legislative Oversight Committee on Medicaid and NC Health Choice.
- (3) Define and approve eligibility and income standards for the programs, including which populations will be covered by Prepaid Health Plans (PHPs).
- (4) Appropriate the annual budget for the Medicaid and NC Health Choice programs.
- (5) Confirm the Director of the Division of Health Benefits, as required by G.S. 143B-216.85, enacted by Section 12 of this act.

**SECTION 3.** Time Line for Medicaid Transformation. – The following milestones for Medicaid transformation shall occur no later than the following dates:

- (1) When this act becomes law. –
  - a. The Division of Health Benefits of the Department of Health and Human Services (DHHS) is created pursuant to Section 10 of this act.
  - b. The Joint Legislative Oversight Committee on Medicaid and NC Health Choice is created pursuant to Section 15 of this act to oversee the Medicaid and NC Health Choice programs.
  - c. The Division of Health Benefits shall begin development of the 1115 waiver and any other State Plan amendments and waiver amendments necessary to effectuate the Medicaid transformation required by this act.
- (2) March 1, 2016. – The DHHS, through the Division of Health Benefits, shall report its plans and progress on Medicaid transformation, including recommended statutory changes, to the Joint Legislative Oversight



# Then in June 2018 . . .

**Session Law 2018-48**  
directed DHHS to create  
two types of managed  
care products:

➤ **Standard Plans**

➤ **BH/IDD Tailored Plans**

GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2017

SESSION LAW 2018-48  
HOUSE BILL 403

AN ACT TO MODIFY THE MEDICAID TRANSFORMATION LEGISLATION.

The General Assembly of North Carolina enacts:

**SECTION 1.** Section 4 of S.L. 2015-245, as amended by Section 2(b) of S.L. 2016-121, Section 11H.17(a) of S.L. 2017-57, and Section 4 of S.L. 2017-186, reads as rewritten:

**"SECTION 4.** Structure of Delivery System. – The transformed Medicaid and NC Health Choice programs described in Section 1 of this act shall be organized according to the following principles and parameters:

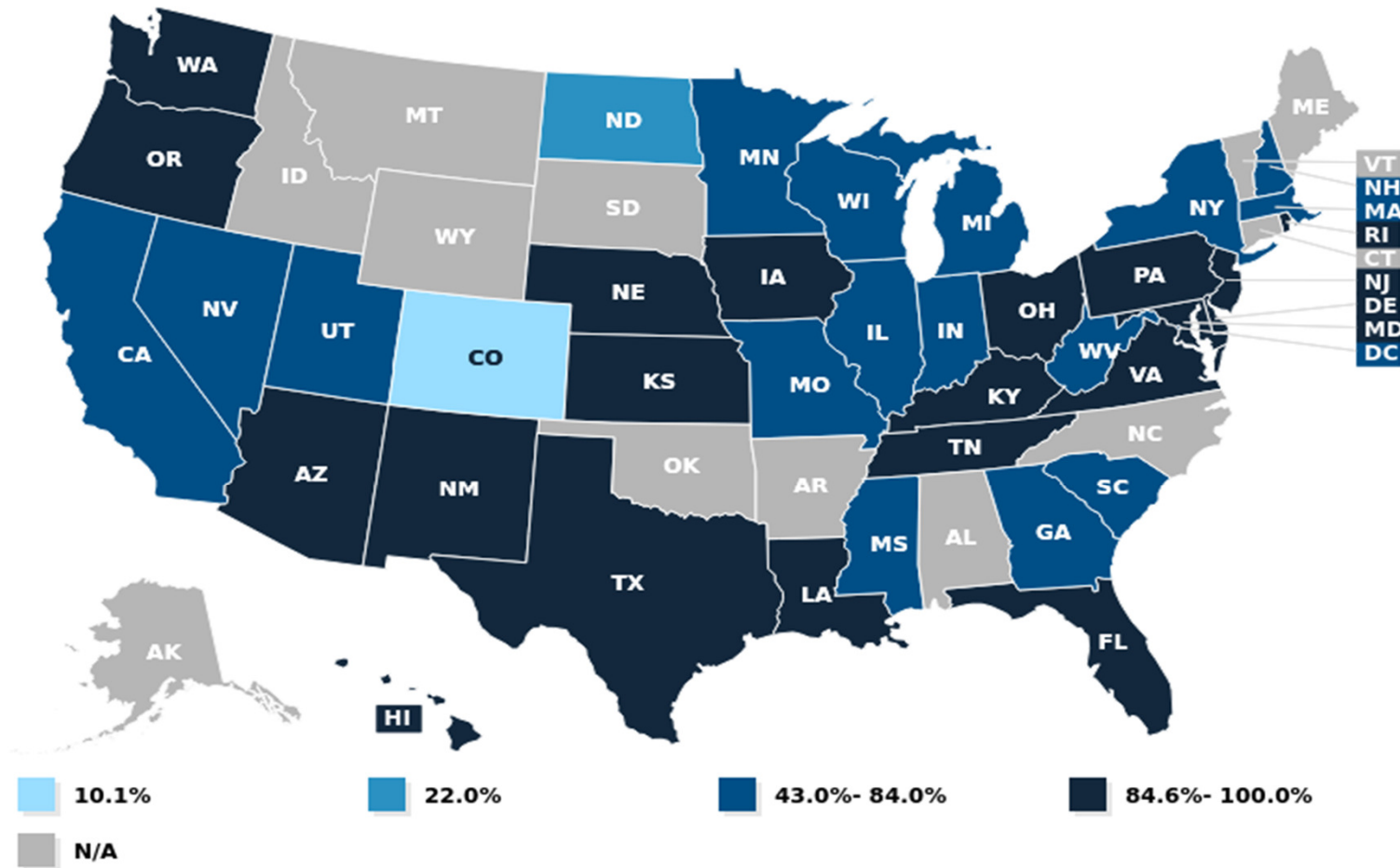
- ...
- (2) **Prepaid Health Plan.** – For purposes of this act, a Prepaid Health Plan (PHP) shall be defined as an entity, which may be a commercial plan or provider-led entity, that operates or will operate a capitated contract for the delivery of services pursuant to subdivision (3) of this ~~section~~section, or a local management entity/managed care organization (LME/MCO) that operates or will operate a BH/IDD Tailored Plan pursuant to subdivision (10) of this section. For purposes of this act, the terms "commercial plan" and "provider-led entity" are defined as follows:
- a. **Commercial plan or CP.** – Any person, entity, or organization, profit or nonprofit, that undertakes to provide or arrange for the delivery of health care services to enrollees on a prepaid basis except for enrollee responsibility for copayments and deductibles and holds a PHP license issued by the Department of Insurance.
- b. **Provider-led entity or PLE.** – An entity that meets all of the following criteria:
1. A majority of the entity's ownership is held by an individual or entity that has as its primary business purpose the ownership or operation of one or more capitated contracts described in subdivision (3) of this section or Medicaid and NC Health Choice providers.
  2. A majority of the entity's governing body is composed of individuals who (i) are licensed in the State as physicians, physician assistants, nurse practitioners, or psychologists and (ii) have experience treating beneficiaries of the North Carolina Medicaid program.
  3. Holds a PHP license issued by the Department of Insurance.
- ...
- (4) **Services covered by PHPs.** – Capitated PHP contracts shall cover all Medicaid and NC Health Choice services, including physical health services, prescription drugs, long-term services and supports, and behavioral health services for NC Health Choice recipients, except as otherwise provided in this





# Managed Medicaid is common across the US

## Percent of Medicaid Population in Managed Care 2018



SOURCE: Kaiser Family Foundation's State Health Facts.

# CMS Waiver Required for Managed Medicaid

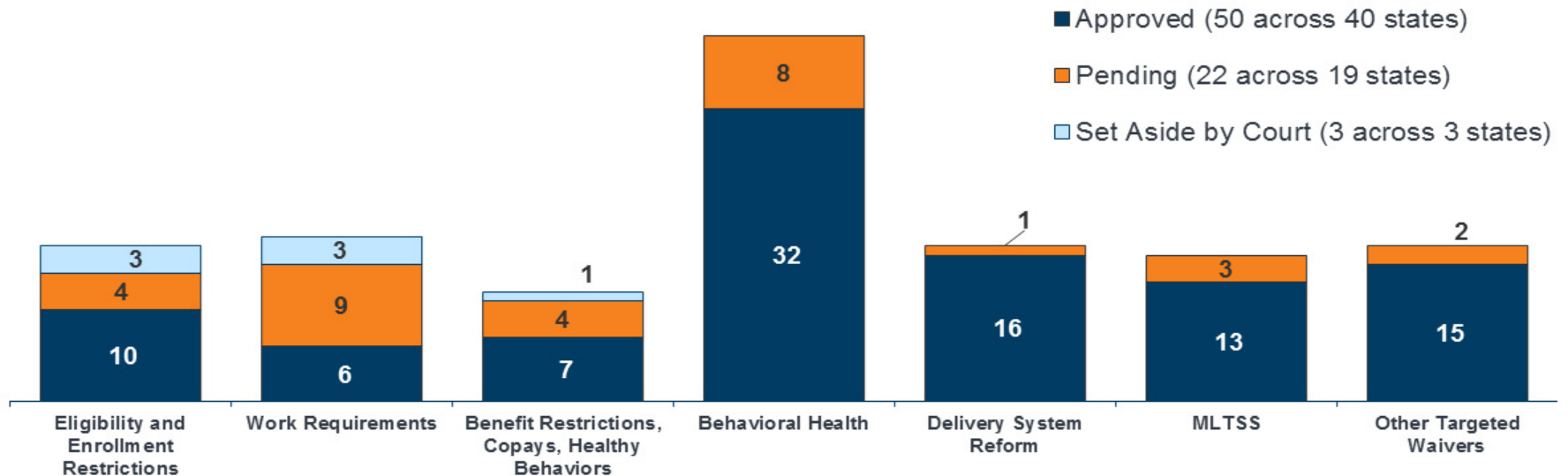
**NC 1115 Medicaid Demonstration Waiver approved by the Centers for Medicare and Medicaid Services (CMS) allows for:**

- Phased approach
- Geographically limited pilots for enhanced case management
- Mandatory enrollment in managed care
- Varying the amount, duration and scope of services offered to individuals in managed care

Other state 1115 Medicaid Demonstration **waiver requests differ**, e.g., Medicaid expansion, benefit restrictions, eligibility and enrollment restricts, work requirements, etc.

# CMS 1115 Waivers Across the U.S.

## Landscape of Approved vs. Pending Section 1115 Medicaid Demonstration Waivers, October 9, 2019



NOTES: Some states have multiple approved and/or multiple pending waivers, and many waivers are comprehensive and may fall into a few different areas. Therefore, the total number of pending or approved waivers across states cannot be calculated by summing counts of waivers in each category. Pending waiver applications are not included here until they are officially accepted by CMS and posted on Medicaid.gov. For more detailed information on each Section 1115 waiver, download the detailed approved and pending waiver tables posted on the tracker page.

"MLTSS" = Managed long-term services and supports.



## NC 1115 Waiver Timeline

- **November 2017 NC applied** for the waiver to transition to Medicaid managed care and add innovative features to the managed care delivery system
- **Waiver approval October 2018**
- **Approval through October 31, 2024**

# NC 1115 Waiver Key Elements

- **Pilot program to address health determinants**
  - **Healthy Opportunities** - NC Enhanced Case Management and Other Services Pilot Program
- Use of **Mandatory Managed Care** for most Medicaid beneficiaries
- **BH/IDD Tailored Plans** for populations with specific complex needs
- **SUD Waiver** updates NC's policy on substance use to meet ASAM criteria and expand inpatient options by allowing treatment of SUD in institutions of mental disease (IMD)

## Use of Evidence-based, Non-medical Interventions

- Healthy Opportunities Pilots will test and evaluate *evidence-based, non-medical interventions in housing, food, transportation and interpersonal safety* to high-needs Medicaid enrollees
- Over 5 years, pilots will provide up to ***\$650M in Medicaid funding*** for services in non-medical interventions that impact health outcomes and health care costs of enrollees

Reference: Healthy Opportunities Pilot, NC Department of Health and Human Services

<https://www.ncdhhs.gov/about/department-initiatives/healthy-opportunities/healthy-opportunities-pilots>

## Healthy Opportunity Pilots

- **First** time CMS approved an Enhanced Case Management Pilot
- Pilots operate in **2 to 4 geographic areas** and all Medicaid Managed Care Plans must participate
- Pilots will be operated by **Lead Pilot Entities (LPE)** that are responsible for coordinating community service organizations, e.g., food banks
- LPEs will be announced in Spring 2020 and **operate until October 2024**

# Medicaid Beneficiary Pilot Eligibility

To be eligible for pilot services, Medicaid managed care enrollees must have:



## At least one Needs-Based Criteria:

Physical/behavioral health condition criteria vary by population:

- Adults (e.g., 2 or more chronic conditions)
- Pregnant Women (e.g., multifetal gestation)
- Children, ages 0-3 (e.g., Neonatal intensive care unit graduate)
- Children 0-21 (e.g., Experiencing three or more categories of adverse childhood experiences)



## At least one Social Risk Factor:

- Homeless and/or housing insecure
- Food insecure
- Transportation insecure
- At risk of, witnessing or experiencing interpersonal violence



# Evidence-Based Services Will be Provided

Priority Domain	Overview of Approved Services
Housing	<ul style="list-style-type: none"> <li>• Targeted tenancy support and sustaining services</li> <li>• Housing quality and safety improvements</li> <li>• One-time payments to secure housing (e.g., first month's rent and security deposit)</li> <li>• Short-term post hospitalization housing</li> </ul>
Food	<ul style="list-style-type: none"> <li>• Linkages to community-based food services (e.g., Supplemental Nutrition Assistance Program (SNAP)/Women, Infants and Children (WIC) application support, food bank referrals)</li> <li>• Nutrition and cooking coaching/counseling</li> <li>• Healthy food boxes</li> <li>• Medically tailored meal delivery</li> </ul>
Transportation	<ul style="list-style-type: none"> <li>• Linkages to transportation resources</li> <li>• Payment for transit to support access to Pilot services, including:               <ul style="list-style-type: none"> <li>○ Public transit</li> <li>○ Taxis, in areas with limited public transit infrastructure</li> </ul> </li> </ul>
Interpersonal Violence/Toxic Stress	<ul style="list-style-type: none"> <li>• Linkages to legal services for interpersonal violence (IPV) related issues</li> <li>• Services to help individuals leave a violent environment and connect with behavioral health resources</li> <li>• Evidence-based parenting support programs</li> <li>• Evidence-based home visiting services</li> </ul>

# Health Influenced by Social and Environmental Factors

- **ALL Medicaid beneficiaries screened** for social determinants of health
- **NCCARE360** connects beneficiaries with identified needs to community resources with a feedback loop on outcome of the connection

S	Yes	No
<b>Food</b>		
1. Within the past 12 months, did you worry that your food would run out before you got money to buy more?		
1. Within the past 12 months, did the food you bought just not last and you didn't have money to get more?		
<b>Housing/ Utilities</b>		
1. Within the past 12 months, have you ever stayed: outside, in a car, in a tent, in an overnight shelter, or temporarily in someone else's home (i.e. couch-surfing)?		
1. Are you worried about losing your housing?		
1. Within the past 12 months, have you been unable to get utilities (heat, electricity) when it was really needed?		
<b>Transportation</b>		
1. Within the past 12 months, has a lack of transportation kept you from medical appointments or from doing things needed for daily living?		
<b>Interpersonal Safety</b>		
1. Do you feel physically or emotionally unsafe where you currently live?		
1. Within the past 12 months, have you been hit, slapped, kicked or otherwise physically hurt by anyone?		
1. Within the past 12 months, have you been humiliated or emotionally abused by anyone?		
<b>Optional: Immediate Need</b>		
1. Are any of your needs urgent? For example, you don't have food for tonight, you don't have a place to sleep tonight, you are afraid you will get hurt if you go home today.		
1. Would you like help with any of the needs that you have identified?		

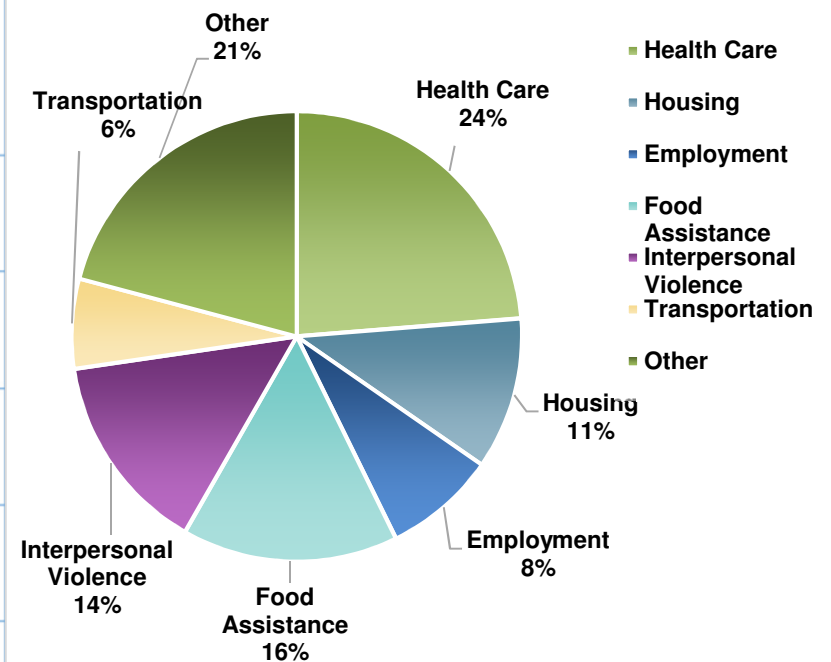
Source: Health Opportunities Screening Questions, NC DHHS [https://www.ncdhhs.gov/about/departments-initiatives/healthy-opportunities/screening-questions](https://www.ncdhhs.gov/about/departments/initiatives/healthy-opportunities/screening-questions)

# NCCARE360

## NCCARE360 Status Update (as of 10/21/19)

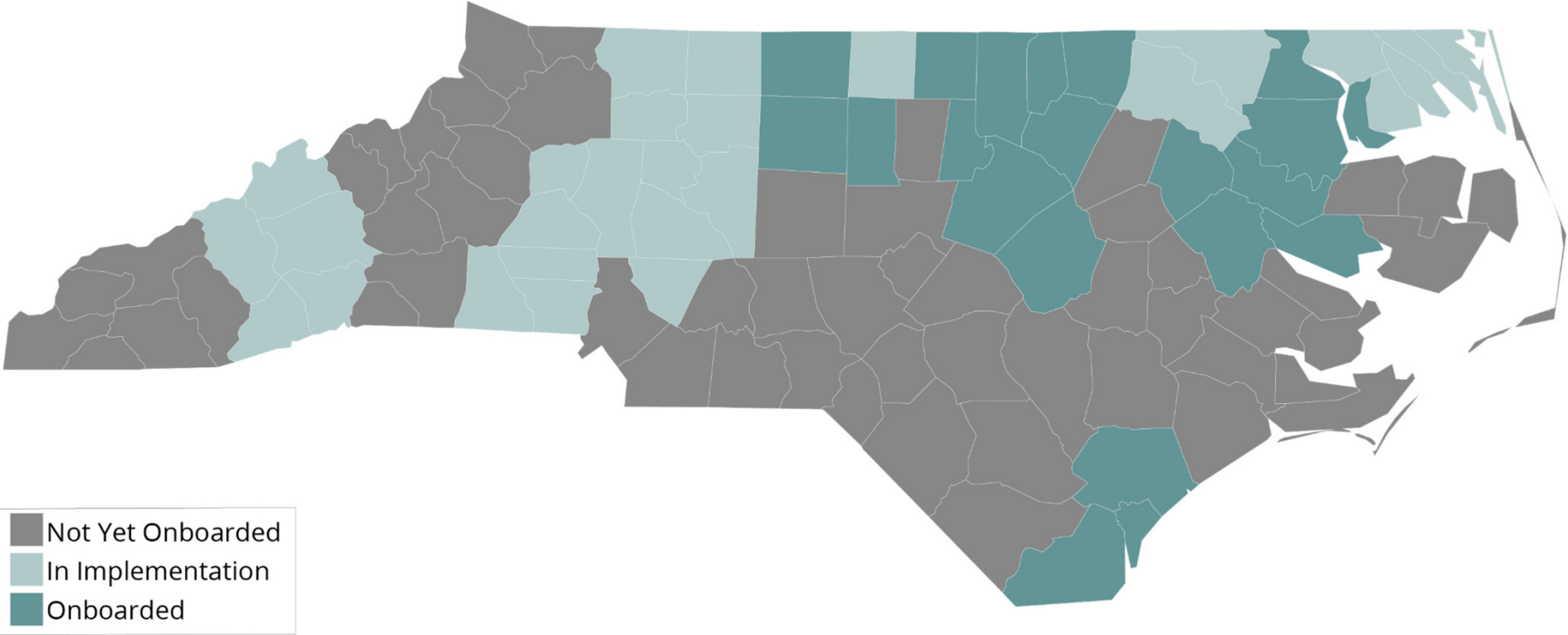
<b>21</b>	Counties launched (Alamance, Beaufort, Bertie, Brunswick, Chowan, Durham, Edgecombe, Franklin, Guilford, Granville, Hertford, Johnston, Martin, New Hanover, Pender, Person, Pitt, Rockingham, Vance, Wake and Warren)
<b>29</b>	Counties started on implementation
<b>1619</b>	Organizations engaged in socialization process
<b>396</b>	Organizations with NCCARE360 licenses
<b>1634</b>	Active Users
<b>1118</b>	Referrals Sent

## Engaged Organizations by Service



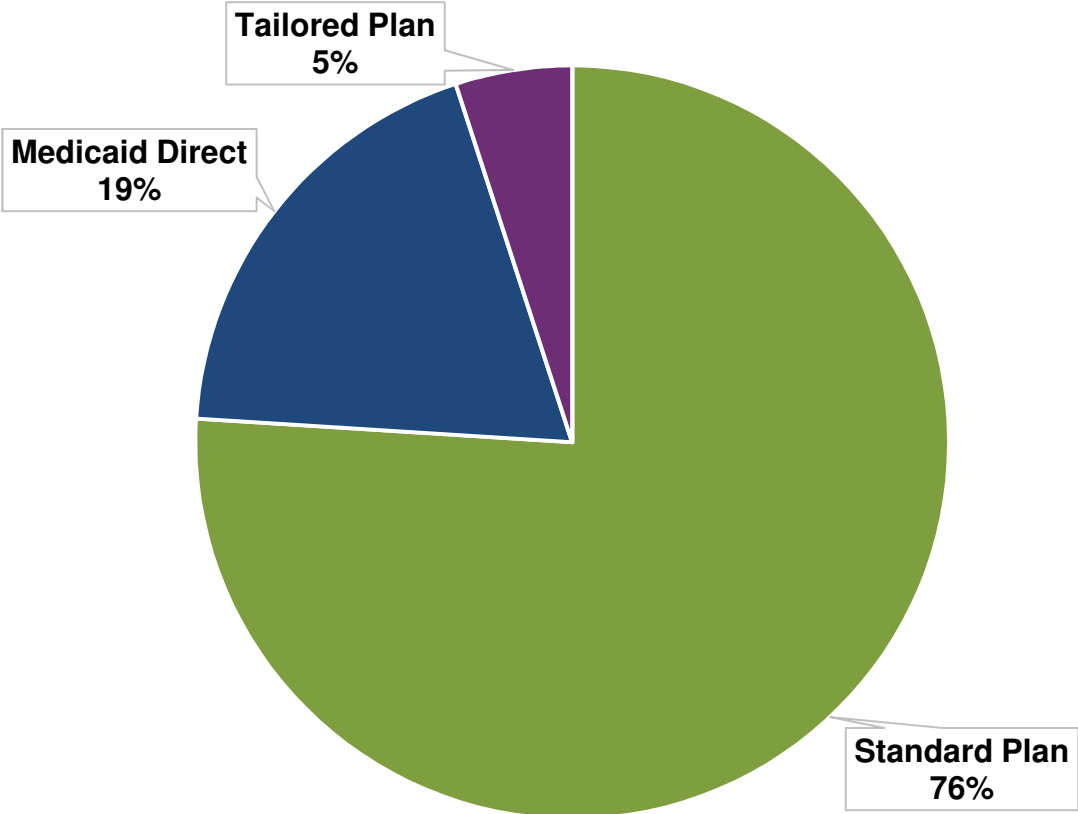
# NCCARE360 State Coverage

October 16, 2019



**MANAGED CARE**

# Medicaid Beneficiaries and Prepaid Health Plans

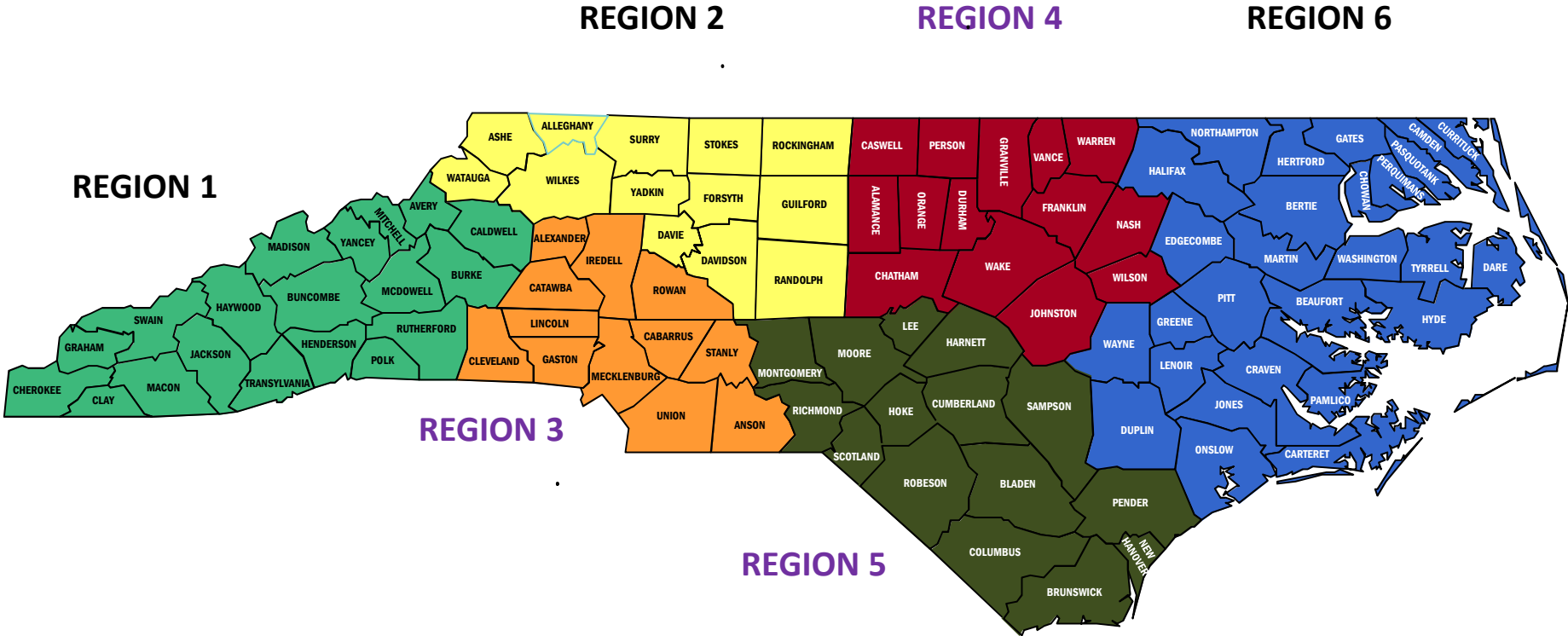


# Medicaid Transformation Timeline

Timeline	Milestone
October 2018	1115 waiver approved
February 2019	Standard Plan contracts awarded
June - July 2019	Enrollment Broker (EB) sends enrollment packages to individuals in initial regions
Summer 2019	Standard Plans contract with providers and meet network adequacy
Fall 2019	Statewide <b>Open Enrollment began October 14, 2019</b>
February 2020	<b>Managed Care Standard Plans launch in ALL REGIONS</b>
Tentatively July 2021	Behavioral Health and Intellectual/Developmental Disability (BH I/DD) Tailored Plans Launch



# Standard Plan Regions

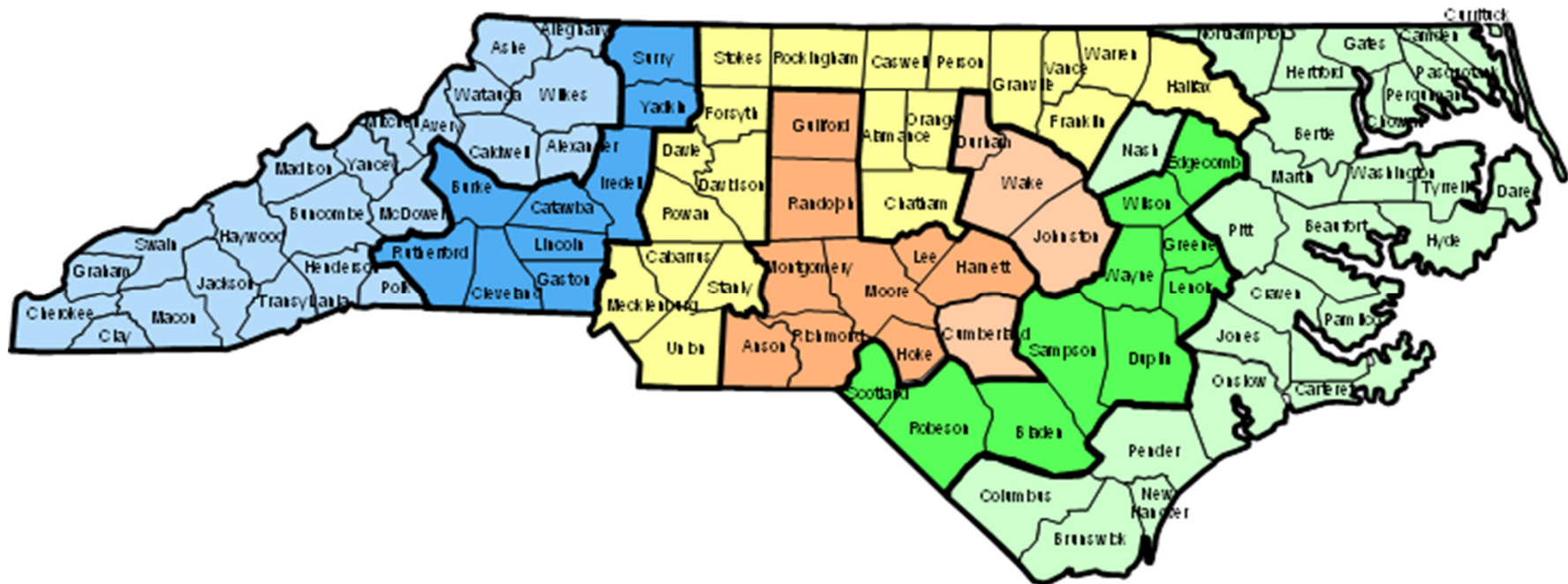


4 Statewide Prepaid Health Plans (PHPs)  
 Carolina Complete Health in Regions 3, 4, and 5  
**All will go live in February 2020**



# Potential BH/IDD Tailored Plan Regions

Legislation requires 5 to 7 BH/IDD Tailored Plan Contracts  
LME/MCOs will bid through Request for Application (RFA) process



# Benefits in Both Standard and Tailored Plans

Benefits	Specific Examples
Hospital Inpatient and Outpatient	Emergency Department care, on-hospital clinic services, and telemedicine
EPSDT	
Selected Behavioral Health	
Pharmacy	Prescription Drugs
Labs/X-rays	
Physicians	
Nursing Facilities	Up to 90 days (then transition to Medicaid Direct)
Ancillary	PT, OT, ST, Respiratory, Dietary Counseling
Ambulance	
Private Duty Nursing	Hospice, Personal Care, DME, Home Infusion
Vision	
<b>Services EXCLUDED from managed care: PACE, School Services, CDSA services, Dental, Glasses</b>	

# Behavioral Health in Standard and Tailored Plans

Behavioral Health Services	Example
Inpatient	Includes current IMD option
Crisis	Mobile Crisis, Facility Based Crisis (Adult and Youth)
Outpatient	Clinic and ED
Partial Hospitalization	
Substance Use Disorder	Ambulatory Detox, Non-Hospital Detox, Medical Detox, ADATC, Opioid Treatment
Research-based Intensive Behavioral Therapy	ABA, TEACCH
EPSDT	
Peer Supports	

# BH/IDD Tailored Plan Services Only

Service	Example
Most enhanced/residential services for youth with SED	Day Treatment, IIH, MST, Child Residential (all levels), PRTF
Most enhanced services for adults with SMI	ACTT, CST, PSR
Most enhanced/residential services for those with serious SUDs	SAIOP, SACOT ASAM 3.1, 3.5, and 3.7 (except ADATCs that are in both plan types)
Specialty/Waiver Services	For IDD/TBI: ICF-IID, Innovations Waiver, TBI Waiver, most current (b)(3) services For BH: Most current (b)(3) services
State Single Stream & Federal Block Grant funded services	

# CARE MANAGEMENT

STANDARD PLANS	BH/IDD TAILORED PLANS
Primarily uses existing primary care practices who are designated Tier 3 Advanced Medical Homes (AMH's)	Provided through designated BH/IDD AMH+'s, Care Management Agencies, BH/IDD TP's directly
Minimal care management provided at the plan level	Care management available to essentially all enrollees  Ultimately anticipate 20% of Care Management remaining at the plan level
Addresses physical, behavioral, and social determinants of health	Addresses physical, behavioral, and social determinants of health  Meets Federal definition for Health Home care management

Reference: NC DHHS, Behavioral Health I/DD Tailored Plan <https://medicaid.ncdhhs.gov/behavioral-health-idd-tailored-plan>

## AUTO-ENROLLED in BH/IDD Tailored Plan

NC DHHS will review claims and other available data, using a rolling 18-month lookback period, to identify beneficiaries who meet BH I/DD Tailored Plan eligibility.

### IDD/TBI Identifiers

- **Qualifying IDD diagnosis code** in any position
- **Innovations Waiver/Waitlist**
- **“Children with Complex Needs” list**
- **TBI Waiver/Waitlist**

### Crisis System Use Identifiers

- **1+ state psychiatric/ADATC hospital admissions**
- **2+ psychiatric inpatient admissions**
- **2+ ED admissions** with a qualifying diagnosis code in the primary position.
- Use of **2+ BH crisis services**

### BH/IDD TP-only Service Use Identifier

- **Use of Medicaid or State-funded service that will only be available** through a BH I/DD Tailored Plan

### SMI/SED/Severe SUD Identifiers

- **Qualifying BH/SUD diagnosis plus use of an enhanced service**
- Use of **clozapine**
- Use of any **Long Acting Injectable Antipsychotic (LAI)**
- **Use of ECT**
- **Psychotic disorder** in any position and is **under age 18**

\*Prior to BH I/DD Tailored Plan launch, beneficiaries will be auto-enrolled in Fee-For-Service/LME-MCO. They will have the option to move to a Standard Plan if they are not in a 1915 (c) Waiver and are otherwise Managed Care eligible.

# Requesting BH/IDD Tailored Plan



NC DEPARTMENT OF  
**HEALTH AND  
HUMAN SERVICES**  
Division of Health Benefits

**Questions?** Go to [ncmedicaidplans.gov](http://ncmedicaidplans.gov).  
Or call us at **1-833-870-5500** (TTY: 1-833-870-5588),  
7 a.m. to 5 p.m., Monday through Saturday.  
We can speak with you in other languages.

## Request to Stay in NC Medicaid Direct (Fee for Service) and LME-MCO: Provider Form

### 1. Beneficiary Demographic Information

Fill out the beneficiary demographic information and guardian/legally responsible person contact information.

Beneficiary Name (Last, First, M.I.)	
Date of Birth	NC Medicaid ID Number
Guardian/Legally Responsible Person	Guardian/Legally Responsible Person Phone Number

### 2. Provider Submitting this Form

Fill out the provider information

Provider Name (Last, First, M.I.)	Telephone Number
Provider Agency (if Applicable)	NPI/Provider Identifier
Provider email	

#### Questions?

We can help. Go to [ncmedicaidplans.gov](http://ncmedicaidplans.gov). Use the "chat" tool on the website. Or call us at **1-833-870-5500** (TTY: 1-833-870-5588), 7 a.m. to 8 p.m., 7 days a week.

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We can speak with you in other languages.

## Request to Stay in NC Medicaid Direct (Fee-for Service Medicaid) and LME-MCO: Beneficiary Form

### 1. Contact information for person enrolled in NC Medicaid

Fill out contact information for the person with NC Medicaid

Name (First, Middle, Last)	
Date of Birth (Month/Day/Year)	
NC Medicaid ID Number	
Phone number	

### 2. Check all the needs below that apply to you:

Check if the need is related to developmental disability, mental illness, traumatic brain injury, or substance use disorder. Please check all that apply. Tell us more about these needs. You may submit your most recent documents (such as psychological evaluations, hospital discharge summaries, or other assessments) to support this request. This will help us review your request quicker. If you do not have documentation, we will reach out to your provider.

- Intellectual/developmental disability (I/DD)
- Mental Illness
- Traumatic Brain Injury
- Substance Use Disorder

If you checked off a need above, tell us more about the support you need because of your disability/condition:

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#### Questions?

We can help. Go to [ncmedicaidplans.gov](http://ncmedicaidplans.gov). Use the "chat" tool on the website. Or call us at **1-833-870-5500** (TTY: 1-833-870-5588), 7 a.m. to 8 p.m., 7 days a week. The call is free. You will need your Medicaid ID number.

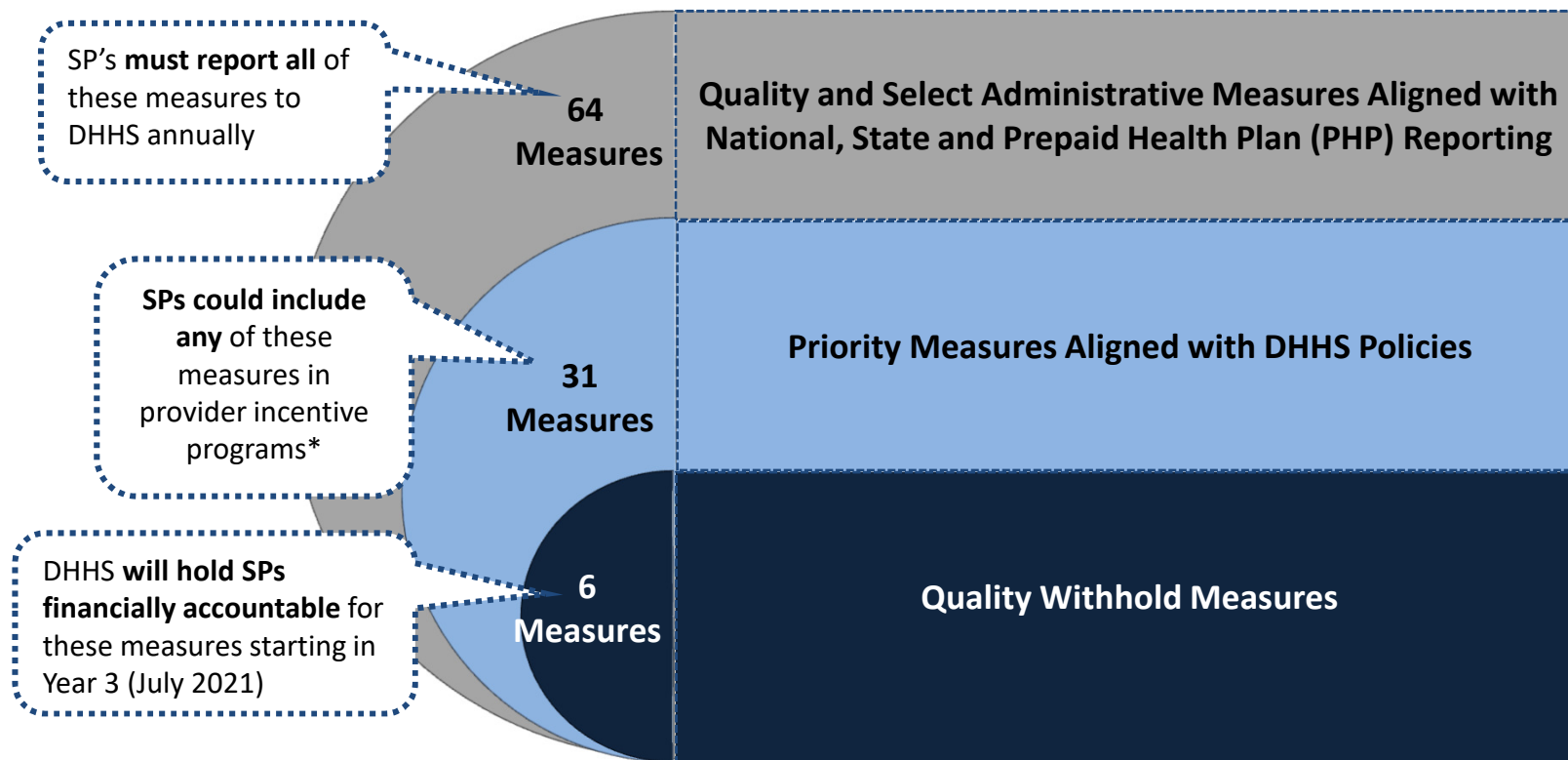
**QUALITY**



# Quality Strategy

- Quality Program supports **PHP's** in:
  - **Quality improvement**
  - **Operational effectiveness**
  - Advancement of initiatives on **addressing unmet resource** needs
  - **Telemedicine** and accreditation
  - AMH Tier 3 contracting goals
- PHPs will **collect and publicly report on all Quality Measures**
- Measures will be collected annually and **validated by the External Quality Review Organization (EQRO)**

# NC Medicaid Standard Plan Quality Measures: Overview



# Quality Strategy: Use of Priority Measures

- **31 of the 64** quality measures are **Priority Measures** for:
  - Provider Incentive Programs
  - Prepaid Health Plan (PHP) performance improvement projects
  - Quality withhold program for financial penalties
- **Prepaid Health Plans (PHPs)** will be given:
  - Historical baseline data
  - **Benchmarks** for optimal performance levels for all Priority Measures
  - **Targets** to represent the *level PHPs must achieve to receive some or all of their quality withhold amount*

From: Medicaid Managed Care Proposed Concept Paper: Provider Health Plan Quality and Performance and Accountability, North Carolina Department of Health and Human Services, March 2018 [https://files.nc.gov/ncdhhs/documents/PHP-QualityPerformance-and-Accountability\\_ConceptPaper\\_FINAL\\_20180320.pdf](https://files.nc.gov/ncdhhs/documents/PHP-QualityPerformance-and-Accountability_ConceptPaper_FINAL_20180320.pdf)

# Proposed Year 1 Quality Withhold Measures

## SIX Withhold Measures

Both Prenatal and Postpartum Care Rates

Live Births Weighing Less than 2,500 Grams

Well-Child Visits in 3rd, 4th, 5th, and 6th Years of Life

Comprehensive Diabetes Care: HbA1c Poor Control (>9.0%)

*Follow-Up After Emergency Department Visit for Mental Illness or Alcohol/Other Drug Abuse*

*Rates for Initiation and Engagement of Alcohol and Other Drug Dependence Treatment*

# Tailored Plan Quality Metrics

## Principles for BH/IDD Tailored Plan Quality Metrics:

- **Build upon the Standard Plan** quality model
- Incorporate **Federal Health Home** measurements
- Prioritize measurement of improved **functioning, quality of life**, and successful **deinstitutionalization**
- Have physical health measures specific to BH/IDD population

# SMART SPENDING:

## Value-Based Purchasing under Managed Care

- Value-Based Purchasing ties provider payments to improved performance by health care providers
- Payment report form holds health care providers accountable for both cost and quality of care
- Strives to reduce inappropriate care and identify and reward the best-performing providers
- NC Medicaid will link provider payment to value achieved or produced
- Support for PHPs and provider contracting flexibility helps providers deliver care in new ways
- PHPs play a critical role in driving forward Medicaid's Value-Based Purchasing goals

# Managed Care Payment Models

## Bundled Payments

- Based on an episode of care
- Payer and provider mutually decide on cost
- Reimbursement is shared among providers
- Can reduce unnecessary services

## Accountable Care - Shared Savings

- Still paid on fee-for-service basis with the additional incentive to participate in shared savings if cost is less than target
- Can be used in conjunctions with other delivery payments
- Expensive information technology outlay and have to calculate individual payments to multiple providers
- Payments can be prospective or retrospective

## Population Health Management

- Reimburses providers based on a specific condition and the cost savings associated with the population - i.e. diabetes

## Value-Based Purchasing

- Targeted at quality but can also reimburse for patient satisfaction, safety, care coordination, or adoption of electronic health records
- Aligns incentives across both payers and providers
- Administratively complex and expensive to implement

**CHALLENGES  
AND  
OPPORTUNITIES**



## BIG CHALLENGES

- **Transitions** of Care between plans:  
mitigating with guardrails on turn around time
- **Multiple payers** (contracting, rates):  
mitigating with centralized credentialing and contracting guardrails
- Provide the **uninsured** with **integrated care**:  
partially mitigated by developing state-funded care management for targeted populations

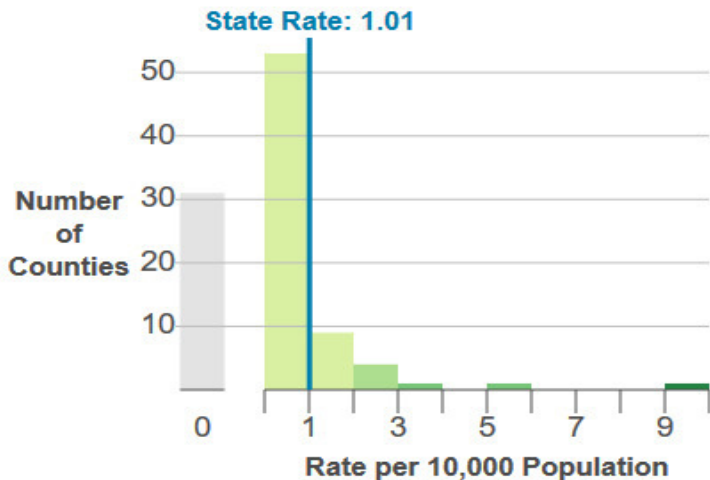
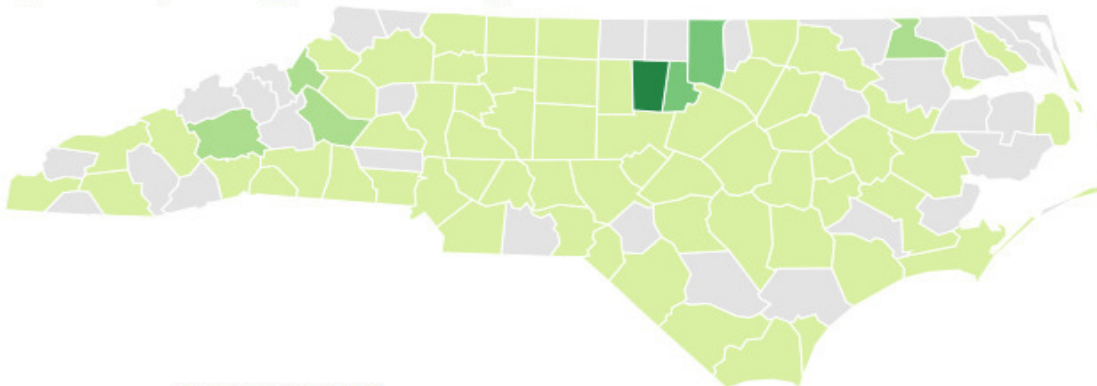
## But Bigger Opportunities

- **Fully integrated, whole-person care!!**
- Opportunity to **purchase specific health outcomes** rather than specific health services
- Address and pay for **unmet social needs/non-medical drivers of health**, e.g., housing, transportation

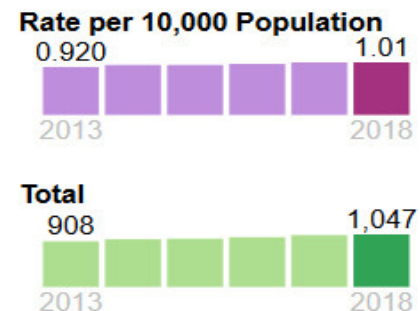
# Psychiatrists Can Maximize Opportunities

- **Increase residency training**
- **Change the way we train**
- **Expand skills for consultation** and practice in primary care and specialty practices
- **Encourage** team-based care, **collaborative care**, and **population health management**
- **Adopt evolving technologies** to track, monitor and communicate with individuals

**Physicians with a Primary Area of Practice of Psychiatry, General per 10,000 Population by County, North Carolina, 2018**



**Profession Demographics for North Carolina**



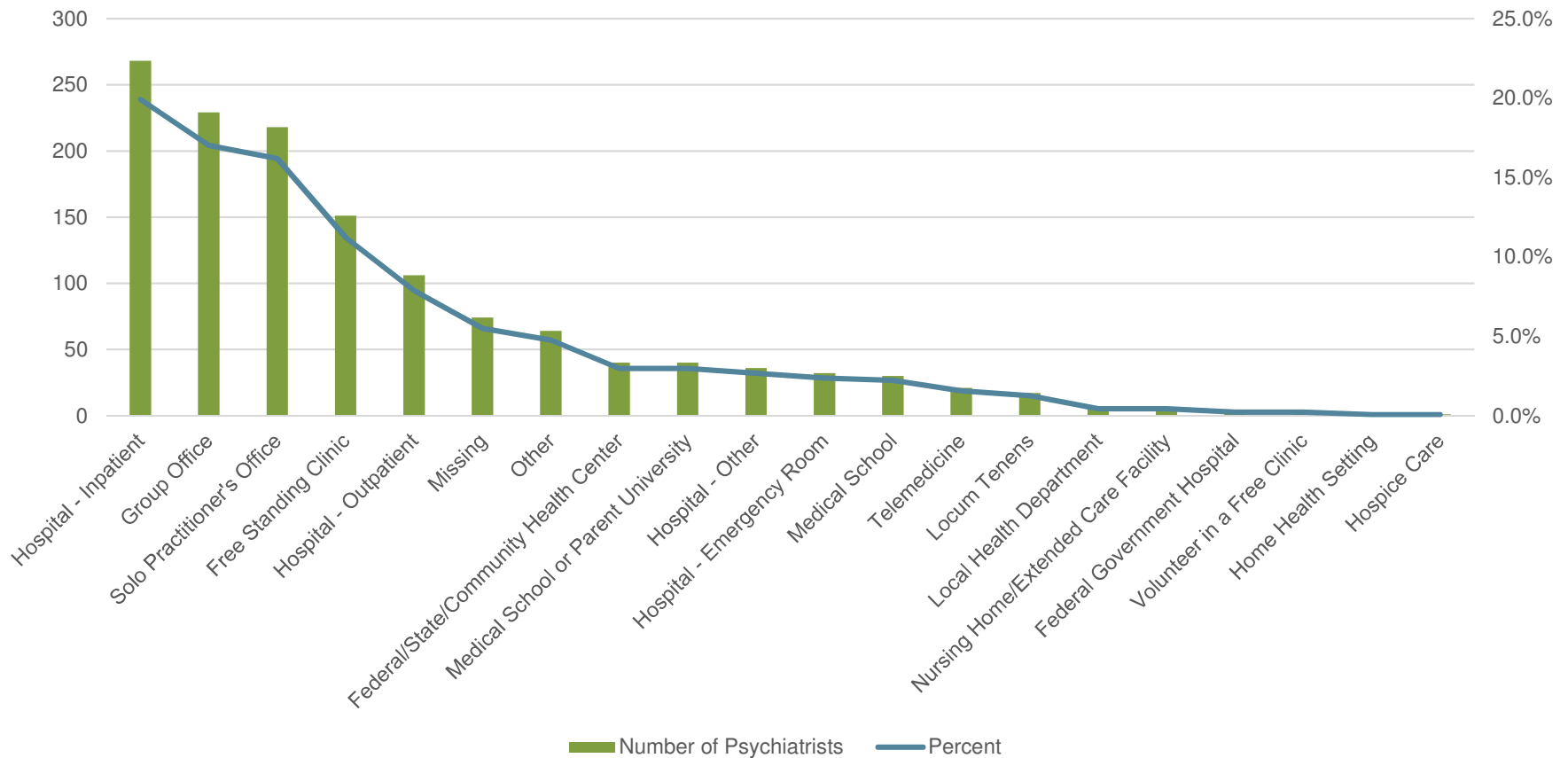
Physicians with a primary area of practice of Psychiatry, General include the following: Forensic Psychiatry, Geriatric Psychiatry, Hypnosis, Internal Medicine - Psychiatry, Psychiatry, Psychiatry - Family Practice, Psychoanalysis, Psychosomatic Medicine. Notes: Data include active, licensed physicians in practice in North Carolina as of October 31 of each year who are not residents-in-training and are not employed by the Federal government. Physician data are derived from the North Carolina Medical Board. County estimates are based on primary practice location. Population census data and estimates are downloaded from the North Carolina Office of State Budget and Management via NC LINC and are based on US Census data. Source: North Carolina Health Professions Data System, Program on Health Workforce Research and Policy, Cecil G. Sheps Center for Health Services Research, University of North Carolina at Chapel Hill. Created October 28, 2019 at <https://nchealthworkforce.unc.edu/supply/>.

## NC Psychiatry Residency Programs by Location\*

<u>Institution</u>	<u>Program</u>	<u>Location</u>	<u>Positions</u>
Duke Univ Med Ctr	Global Health	Durham	1
Duke Univ Med Ctr	Internal Med/Psych	Durham	11
Vidant Health	Internal Med/Psych	Durham	10
Carolina Medical Ctr	Psychiatry	Charlotte	3
Duke Univ Med Ctr	Psychiatry	Durham	38
MAHEC/Mission Health Sys	Psychiatry	Asheville	4
UNC Health Care	Psychiatry	Chapel Hill	53
Vidant Health	Psychiatry	Greenville	30
Wake Forest Baptist Med Ctr	Psych-CH Adoles Psych	Winston-Salem	5
Wake Forest Baptist Med Ctr	Psychiatry-Psych	Winston-Salem	27
UNC Health Care	Psych/Child	Chapel Hill	10
CUSOM/Cape Fear Valley Hosp	Psychiatry	Wilmington	16
<b>TOTAL</b>			<b>208</b>

\*Omits Psychiatry Fellowships; Source: Program on Health Workforce and Policy, Sheps Center for Health Services Research, University of North Carolina at Chapel Hill with data gathered from individual programs, 2017 (Addendum 2019)

# Active, Licensed Psychiatrists Practicing in North Carolina by Primary Practice Location Facility Type, 2018



Notes: Data include active, licensed physicians in practice in North Carolina as of October 31, 2018 who are not residents-in-training and are not employed by the Federal government. Physician data are derived from the North Carolina Medical Board and include physicians with a self-reported primary area of practice of Child & Adolescent Psychiatry, Pediatrics - Psychiatry, Addiction Medicine, Addiction Psychiatry, Forensic Psychiatry, Geriatric Psychiatry, Hypnosis, Internal Medicine - Psychiatry, Psychiatry, Psychiatry - Family Practice, Psychoanalysis, Psychosomatic Medicine.

Source: North Carolina Health Professions Data System, Program on Health Workforce Research and Policy, Cecil G. Sheps Center for Health Services Research, University of North Carolina at Chapel Hill

## **Be in the Right Place at the Right Time**

- **Chance to participate in truly integrated care**
- **Chance to affect the health of entire populations**
- **Opportunity to lead**
  - Telepsychiatry
  - Collaborative Care
  - Population Health
  - Workforce multipliers (e.g., NC PALS, NC MATTERS)



**“In a world where there is so much to be done. I felt strongly impressed that there must be something for me to do.” - Dorothea Dix**





# CONTACT

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