



STATE OF NORTH CAROLINA
GOVERNOR PAT McCrORY

Press Release

Medicaid Reform Plan Offers a North Carolina Solution

Plan seeks to achieve better patient outcomes, high quality care, increased budget predictability

FOR IMMEDIATE RELEASE

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Raleigh, N.C. – State health officials today unveiled an innovative, multi-year draft plan for reforming North Carolina’s Medicaid program to achieve better patient care, better community health, improved doctor-patient engagement and cost containment. This comes after the September 2015 passage of historic Medicaid reform legislation, achieved under the leadership of Governor Pat McCrory and the North Carolina General Assembly.

“The Medicaid Reform plan outlined today will improve care and hold down costs and empower medical professionals to achieve better outcomes for their patients,” Governor McCrory said. **“This patient-centered approach is the result of providers, associations, advocates, members of the General Assembly and DHHS leaders working together to prepare us to take this important step for all the citizens of North Carolina.”**

The reform plan was presented to the Joint Legislative Oversight Committee by Department of Health and Human Services Secretary Rick Brajer. It transforms the state from a fee-for-service, or volume-based system to a pre-paid health plan which is valued based. This system will promote community-based, comprehensive care management that integrates behavioral health as well as physical health to ensure beneficiaries are reaching and maintaining the highest level of health possible. The new plan is also designed to provide more accurate and responsible budgeting each year.

Medicaid beneficiaries will continue receiving services in the way they do now, until reform is implemented, which is expected to take approximately 36 months. After implementation, beneficiaries can expect more choice, more engagement and more coordination of their care.

“This plan builds on what works in North Carolina,” Brajer said, “by bringing innovation and new tools into the health care system to ensure the system puts people first, and rewards health plans and providers for making patients healthier while containing costs.”

This proposal is the product of nearly three years of stakeholder engagement and planning, and is an important step in accomplishing the joint vision of Governor McCrory and the General Assembly.

To change a state’s Medicaid plan, a waiver application must be submitted to the Centers for Medicare and Medicaid Services (CMS), the federal agency that works in partnership with state governments to administer Medicaid. DHHS will submit the state’s waiver application June 1. It is expected to take at least 18 months to receive approval from CMS. Once approved, Medicaid reform will be implemented over the following 18 months.

Over the next two months, DHHS will hold a series of listening sessions across the state to gather feedback from citizens and other stakeholders.

Medicaid accounts for the care of nearly two million citizens in North Carolina at an annual cost to the federal and state government of \$13 billion. It serves approximately one in five North Carolinians and covers about 55 percent of births in the state. About 80,000 healthcare providers in the state serve Medicaid clients.

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