

1 **10A NCAC 26C .0701 is proposed for adoption as follows:**

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**SECTION .0700 – COUNTY DISENGAGEMENT FROM A LOCAL MANAGEMENT ENTITY-
MANAGED CARE ORGANIZATION**

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6 **10A NCAC 26C .0701 SCOPE**

7 (a) A county seeking to disengage from a Local Management Entity-Managed Care Organization (LME-MCO) and
8 align with another LME-MCO operating under a Medicaid waiver shall first obtain the approval of the Secretary of
9 the Department of Health and Human Services (DHHS).

10 (b) The purpose of the rules in this Section is to set forth the process the Secretary shall use to approve county
11 requests to disengage from an LME-MCO and realign with another LME-MCO operating under a Medicaid waiver.

12 (c) These rules also set forth the requirements that a county seeking approval to disengage from an LME-MCO
13 must adhere to in submitting its request for approval.

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15 *History Note: Authority G.S. 122C-115;*

1 **10A NCAC 26C .0702 is proposed for adoption as follows:**

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3 **10A NCAC 26C .0702 COUNTY REQUEST TO DISENGAGE FROM A LOCAL MANAGEMENT**
4 **ENTITY-MANAGED CARE ORGANIZATION**

5 (a) A county seeking to disengage from an LME-MCO shall provide written notice of its intent to initiate the
6 process to disengage from an LME/MCO to the Secretary, the Co-Chairs of the Joint Legislative Oversight
7 Committee on Health and Human Services, and affected counties a minimum of nine months prior to the proposed
8 effective date of disengagement.

9 (b) A county seeking to disengage from an LME-MCO shall publish its plan for disengagement on its website, and
10 the website of the LME-MCO with which it seeks to align.

11 (c) The county shall accept public comments on its disengagement plan for a minimum of 60 calendar days. The
12 county shall specifically solicit comments from advocates, self-advocates, State and Local Consumer and Family
13 Advisory Committees (CFACs) and shall post the public comments on its website for a minimum of 30 consecutive
14 days.

15 (d) A county seeking to disengage from an LME-MCO and realign with a different LME-MCO operating a
16 Medicaid wavier shall provide written documentation of the following to the Secretary, which shall constitute its
17 written request to disengage:

- 18 (1) Approval of its disengagement plan by its Board of County Commissioners which reflects the date
19 of the approval and that the approval was by majority vote;
- 20 (2) A written plan, approved by its Board of County Commissioners, to ensure continuity of services
21 during the transition which includes written notice to the provider agencies with which the LME-
22 MCO contracts;
- 23 (3) A written plan, approved by its Board of County Commissioners, which provides for distribution
24 of real property, where appropriate, and reflects title to the same;
- 25 (4) Approval of the Area Board, by majority vote, of the LME-MCO with which it is seeking to
26 realign;
- 27 (5) Evidence of written notice to the other counties who are also members of the LME-MCO from
28 which the county is seeking disengagement;
- 29 (6) Evidence of its written notice to the providers impacted by its decision to disengage;
- 30 (7) Evidence of its compliance with the population requirements of G.S. 122C-115(a);
- 31 (8) Evidence of its financial liabilities to the LME-MCO from which it is seeking to disengage within
32 30 calendar days of the request to disengage; and
- 33 (9) Documentation of its compliance with Paragraphs (a) through (c) of this Rule.

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35 *History Note: Authority G.S. 122C-115;*

1 **10A NCAC 26C .0703 is proposed for adoption as follows:**

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3 **10A NCAC 26C .0703 SECRETARY RESPONSE TO COUNTY REQUESTS TO DISENGAGE FROM A**
4 **LOCAL MANAGEMENT ENTITY-MANAGED CARE ORGANIZATION**

5 (a) The Secretary may waive the nine month requirement set forth in Rule .0702(a) of this Section upon
6 consideration of the following factors:

- 7 (1) the impact of delay upon consumers currently served in the county seeking to disengage;
8 (2) the financial vulnerability of the LME-MCO from which disengagement is sought; and
9 (3) any substantiated evidence of criminal activity or malfeasance on the part of the LME-MCO from
10 which disengagement is sought.

11 (b) At a minimum, the Secretary shall consider the following in deciding whether to approve a county request to
12 disengage from an LME-MCO and realign with a different LME-MCO operating under a Medicaid waiver:

- 13 (1) the potential impact to and input from consumers, advocates and self-advocates within the county;
14 (2) the county's plan for disengagement from one LME-MCO and realignment with a different LME-
15 MCO;
16 (3) the county's plan to ensure continuity of services during the disengagement and realignment
17 phase;
18 (4) whether the county has complied with the requirements of Rule .0702 of this Section;
19 (5) whether the county is contiguous to the catchment area of the LME-MCO with which it is
20 requesting to align;
21 (6) the timing of the request and whether the disengagement will conflict with setting capitation rates;
22 (7) whether the disengagement will impact the financial viability of the LME-MCO from which the
23 county is seeking to disengage;
24 (8) whether the disengagement and realignment will ensure compliance with the population
25 requirements of G.S. 122C-115(a);
26 (9) whether the disengagement and realignment will adversely impact the stability, as a whole, of the
27 State's healthcare system;
28 (10) whether the realignment will improve the quality, variety, and amount of services for the eligible
29 persons in the subject county; and
30 (11) the operational alignment of the county within the context of the LME-MCO disengagement
31 related to geography, service delivery, and demonstrated provision of whole-person centered care.

32 (c) The Secretary shall issue a written decision to approve or deny the request for disengagement and realignment
33 within 90 calendar days of receipt thereof.

34 (d) The Secretary may approve the request as submitted or set conditions upon its issuance based upon
35 consideration of the factors set forth in this Rule.

36 (e) The Secretary shall notify the following of the decision to approve or deny a county request for disengagement
37 and realignment:

- 38 (1) The Board of County Commissioners of the county seeking to disengage;
39 (2) The Boards of County Commissioners of the counties of the LME/MCO with which realignment
40 is requested;
41 (3) The LME-MCO from which disengagement is sought;
42 (4) The LME-MCO with which realignment is requested; and
43 (5) The Co-Chairs of the Joint Legislative Oversight Committee on Health and Human Services.

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45 *History Note:* *Authority G.S. 122C-115;*