

**Tailored Care Management Capacity Building
Frequently Asked Questions
August 23, 2023**

Capacity Building Funds (CBF): Frequently Asked Questions (updated with information based on additional CBF funds announced 5/31/2023)

1. Do AMH+ practices and CMAs have to spend funds in order to be reimbursed with capacity building dollars?

No. The Department designed the capacity building program to allow providers to receive some “startup” funding for important capacity building activities from Health Plans in advance of spending. Providers must request the Health Plans for needed funds, which can include submitting an invoice that demonstrates how the AMH+/CMA intends to spend CBF. TCM providers should work with Health Plans to understand the “evidence” required to demonstrate how CBF were ultimately used (e.g., a receipt of how funds were spent). Providers should make sure they understand how to request funds, what evidence is needed to demonstrate what they spent the money on and to ensure that it meets the CBF milestones.

2. How much funding can I get?

This will vary by AMH+/CMA. Health Plans set AMH+/CMA allotments based on their understanding of provider needs, provider funding requests, and the total amount of funds the plan has to distribute. To draw down their allotment, AMH+/CMAs must meet the milestones specified in their capacity building agreement with the Health Plan. If a milestone is not met by an AMH+/CMA, then the plan will not distribute funds. If all agreed upon milestones are met, then the AMH+/CMA should receive their full allotment. Reaching additional milestones (beyond those agreed upon with the Health Plan in the capacity building agreement) will not result in additional funding for an AMH+/CMA. Given the additional CBF being distributed to Health Plans in June 2023, the Department expects Health Plans to work with AMH+/CMAs to submit updated CBF requests to meet established milestones and to reflect resources needed to maintain financial viability for delivering TCM services through June 30, 2024.

3. What is the deadline to spend CBF for providers?

An AMH+/CMA’s initial request (prior to May 31, 2023) for Capacity Building funds should be invoiced to the Health Plan by no later than September 30, 2023. Once those funds are distributed, the AMH+ or CMA can submit invoices for the extended Capacity Building funds via invoices through June 30, 2024. Ongoing distribution of funds is tied to progress on the established milestones.

4. Is there a specific timeframe by which providers must use CBF for staff salaries and other milestones given the delay in the Tailored Plan launch?

Providers may use CBF for milestones 3-6 after June 30, 2023, although initial CBF requests (those before 5/31/2023) must be completed no later than September 30, 2023. This would include the use of CBF to pay staff salaries after June 30, 2023.

5. Some LME/MCOs set interim milestones/targets where a provider could draw down funds based on meeting the interim milestone/target (e.g., a provider sharing a proposal on how funds will be spent) with a requirement that the provider must meet the final milestone (e.g. receipt that funds were spent as specified in the proposal). Can LME/MCOs recoup funds if the final milestone is not met?

If the agreed upon milestones and payment terms between the LME/MCOs and provider required the provider to meet a final milestone and the provider does not meet that final milestone, then the LME/MCOs could recoup funds. The Department encourages LME/MCOs to grant providers flexibility in meeting final milestones, when possible to do so, while continuing to meet Department level reporting requirements and demonstrate milestone progress, recognizing some providers have experienced unexpected delays in rolling out the model.

6. Original CBF guidance said salary support for staff and education and outreach to members was limited to 90 days pre/post TCM launch. Can providers use CBF associated with these milestones beyond 90 days pre/post launch?

Yes, Health Plans can update their Distribution Plans to include funding for these milestones through June 30, 2024.

7. If providers don't spend their CBF for staffing related costs, will they be able to access additional CBF for other milestones?

Providers may submit updated CBF plans to Health Plans so long as their requests for funds do not include spending on costs already covered by CBF. The Department recognizes the ongoing challenges to initial implementation of the program and starting in June 2023 with the additional CBF funds, Health Plans should request updated CBF budgets in alignment with the CB milestones from AMH+/CMAs based on sustainability needs through June 30, 2024.

8. If TCM providers didn't receive their allotted CBF by 12/1/22 from LME, are they able to access funds in January 2023?

Yes, providers may request their initial (prior to 5/31/23) CBF requests as needed through September 30, 2023. Starting in June 2023, with the additional CBF funds, Health Plans should request updated CBF budgets in alignment with the CB milestones from AMH+/CMAs based on sustainability needs through June 30, 2024.

9. Are TCM providers required to utilize their funds and then be reimbursed?

No, spending first and requesting reimbursement is not a requirement. The certified provider requests funds, utilizes the funds and accounts for funds per the Health Plan's protocol. If providers spent monies ahead of receiving CBF distributions, they can request to be reimbursed if those expenditures furthered a milestone (e.g., paying for TCM platform ahead of receiving CBF).

10. Can CBF be used to attract and retain TCM staff?

Yes, CBF funds may be used for sign-on bonuses, retention bonuses, and ongoing costs until TCM claims cover program expenses. (e.g., Recruiting bonus may be paid with employee's first paycheck, or a retainer that is paid over a specified period of time, such as 4 months for a new employee.)

11. Can you receive funding from 2 or more milestones simultaneously?

Yes. Providers may work on more than one milestone at a time and work on milestones in any order (e.g., providers may request and receive CBF for staffing and training at the same time).

12. Can capacity building milestones be operationalized in any order?

Yes, the capacity building milestone can be worked on in any order. They do not have to be completed in the order listed on the milestone table.

13. Are there restrictions on the use of CBF to upfit offices, to make new space for staff?

The Department has not placed any specific restrictions on the use of CBF for office space upfit. The Capacity Building Program was intended to provide start-up funding for capacity building activities

and advance the above milestones put forth by the Department. Providers must be able to demonstrate to the Health Plan that funds have or will be used to support the established milestones.

14. Can providers use CBF to purchase vehicles?

The Department has not placed any such restrictions on the use of CBF for transportation. The Capacity Building Program was intended to provide start-up funding for capacity building activities and advance the above milestones put forth by the Department. Providers must be able to demonstrate to the Health Plan that funds have or will be used to support the established milestones.

15. Can Capacity Building Funds be used for the purchase of capital assets exceeding \$5,000?

The Department has not placed any such restrictions on the use of CBF for capital assets exceeding \$5,000. The Capacity Building Program was intended to provide start-up funding for capacity building activities and advance the above milestones put forth by the Department. Providers must be able to demonstrate to the Health Plan that funds have or will be used to support the established milestones.

16. Is it permissible for providers to use CBF to pay for staff salaries/expenses while also billing for services to the Medicaid program for care management, thereby receiving both payments at the same time? It would seem this is “double dipping” but since there are no established guardrails in place, this is unclear.

It is permissible for providers to pay staff salaries/ expenses while also billing for services because care management staff may not have enough billable contacts to support their full salary, hence the salary support to "build capacity." CBF are wrap-around funds that can be used to ensure adequate staffing in preparation for launch and during the ramp up period.

17. Is there a requirement that providers deduct the cost of TCM billed claims from the CBF funds utilized to pay staff salaries?

No. The Department has not placed any restrictions that require deducting costs of TCM billed claims from CBF received under approved distribution plans for staff salaries.

18. Are providers allowed to continue to use the CBF dollars to cover 100% of those positions as we build up our revenue?

The Department has not placed any restrictions on use of CBF for this purpose. CBF may be used for staffing.

New FAQ questions added May 2023:

19. What happens if an AMH+ practice or CMA spends more than expected on a capacity building-related purchase/milestone or anticipates changes in future capacity building needs?

The Department understands that estimates of capacity building needs may change as providers implement the program. Providers can inform the Health Plans with which they have a capacity building agreement of anticipated new or additional costs not initially captured in the Distribution Plan approved by the Department. Based on available funding, Health Plans *may* be able to distribute additional funds to providers; Health Plans may need to first update their Distribution Plans to reflect this change and submit the updated Distribution Plans to the Department for approval.

19. Can capacity building funds be used to cover travel/mileage reimbursement? Travel to members' homes were required as phone numbers were not available.

The Department has not placed any specific restrictions on the use of CBF cost for travel/mileage. The

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20. How long can a TCM provider carry over unspent capacity building funds beyond 6/30/23?

Initial CBF requests (prior to May 31, 2023) must be invoiced by Providers to Health Plans by September 30, 2023. CBF requests after May 31, 2023 must be invoiced by Providers to Health Plans by June 30, 2024.

21. Will there be any additional CBF for Round 3 providers?

NC Medicaid recognizes the critical value of capacity building funds to support the initial implementation costs of developing Tailored Care Management services among community-based providers. However, at this time we do not currently have funds budgeted and available for newly certified TCM providers (those in Round 3). We are contractually constrained to utilize previous capacity building funds for existing and previously certified TCM providers. If new resources become available, we will welcome the opportunity to support newly certified TCM providers with capacity building funds.

22. Can capacity building funds be used to cover time that the Provider spends on outreach and engagement attempts (preparing for and executing multiple contacts to engage members)?

This type of activity could be requested in Milestone 6. The Department has not placed any such restrictions on these types of activities. The Capacity Building Program was intended to provide start-up funding for capacity building activities and advance the above milestones put forth by the Department.

Please direct any comments or questions to Medicaid.TailoredCareMgmt@dhhs.nc.gov.