

# 10.06.22 Desk Review Protocol

State of North Carolina: AMH+/ CMA Certification Program  
Contract number: 30-2021-054-DHB

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NC DEPARTMENT OF  
**HEALTH AND  
HUMAN SERVICES**

## Behavioral Health and Intellectual/ Developmental Disability Tailored Plan

**TAILORED CARE MANAGEMENT  
AMH+/CMA PROVIDER CERTIFICATION  
APPLICATION**

## Overview

As North Carolina transitions its Medicaid and NC Health Choice programs from a predominantly fee-for-service delivery system to managed care, the Tailored Care Management (TCM) model will be a critical element of the Behavioral Health and Intellectual/Developmental Disability (I/DD) Tailored Plans. The vision of the North Carolina Department of Health and Human Services (NC DHHS or the Department) is that by the fourth year of Behavioral Health I/DD Tailored Plans, 80% of TCM will be provider based and performed by care managers affiliated with certified Advanced Medical Home Plus (AMH+) practices and Care Management Agencies (CMA).

The National Committee for Quality Assurance (NCQA) will conduct an AMH+ and CMA certification process to promote provider-based care management while also putting guidelines in place to ensure that providers are ready to perform this critical role.

The AMH+ and CMA certification process has three stages:

1. Interested providers submit an application through NCQA's **Interactive Review Tool (IRT)**. NCQA conducts a "desk review" of the application to determine if the organization has the potential, based on Department-established criteria outlined in the TCM Provider Manual and this application, to satisfy the full set of TCM criteria.
2. If the organization is determined to have the potential to meet certification criteria, NCQA conducts a (virtual) site visit. Certification is decided after the site visit.
3. After completion of the certification process, NCQA and Behavioral Health I/DD Tailored Plans conduct readiness reviews to determine if the organization will be ready to deliver TCM services by the agreed-upon start date.

This document is a guide to reviewing and rating responses to the North Carolina Medicaid AMH+ and CMA Certification Application for TCM at the desk review stage. The Department has made it available to applicants to help them learn about the application assessment process.

## Key Roles and Responsibilities

- **The Department or NC DHHS:** Maintains oversight for all functions leading to implementation of TCM and certification of providers.
- **NCQA:** Vendor for the Department that conducts desk reviews, virtual site reviews and readiness reviews to ensure providers are capable of providing TCM services. NCQA may subcontract with reviewers who evaluate submitted materials on behalf of NCQA.
- **Providers or Prospective AMH+ and CMA:** Organizations that submit applications for certification as an AMH+ or CMA to become providers of TCM Services.
- **North Carolina Area Health Education Centers (AHEC):** A program that provides and supports educational activities and services, with a primary care focus in rural communities. For this project, AHEC provides technical assistance to providers that pass desk review.
- **Clinically Integrated Networks (CIN) or Other Partners:** Entities with which provider practices choose to partner, to share responsibility for specific functions and capabilities required to operate as an AMH+ practice or a CMA.

## Rating Criteria

TCM certification requirements are stated in the TCM [Provider Manual](#). When reviewing applications, reviewers reference the [Provider Manual](#) and [Application Questions](#). Reviewers may also reference the TCM Data Strategy Policy Paper, which elaborates on health IT and data-related requirements.

**Rating Criteria:** Criteria reviewers rate on a 2-point rating scale (*does not meet* and *meets*). An overall rating of *meets* is considered a passing rating that moves the application forward to the decision-making stage. Not Applicable (N/A) is also an acceptable rating in some circumstances. For each criterion, reviewers assess the strength of the provider’s response relative to the requirements in the Provider Manual. Organizations are not expected to meet criteria fully at this point, but must be able to articulate a plan for readiness by the Behavioral Health I/DD Tailored Plan launch, applying the following rating definitions.

Rating	Rating Definition
<i>Meets</i>	The organization articulates a clear understanding of the requirements and thoroughly describes how it either: a. Fully meets requirements currently, <b>or</b> b. Has a concrete strategy and a realistic timeline, with supporting evidence, to meet requirements fully by the agreed-on start date.
<i>Does Not Meet</i>	The organization describes a strategy that does not demonstrate clear understanding of the requirements and/or does not include specific actions to ensure that requirements are met in time to meet the agreed-on start date.
<i>Not Applicable (N/A)</i>	The requirement is not applicable to the organization that is under review.

## Desk Review Objectives

- Verify that the provider meets the eligibility criteria to provide TCM services:
  - The provider confirms the volume of Medicaid patients and the number of years of experience provided for each population served, with a brief description of services.
  - AMH+ only providers have at least 100 active Medicaid patients with serious mental illness (SMI), serious emotional disturbance (SED), severe substance use disorder (SUD), I/DD or traumatic brain injury (TBI).
  - The provider’s organizational chart includes its reporting structure and the names and titles of each individual on the chart, including those responsible for TCM.
  - The provider has evidence of board or executive-level approval for TCM participation.
  - The provider has the financial capacity to operate TCM on a long-term basis.

Verify that the provider understands the requirements stated in the Provider Manual and has, or will develop, the necessary documentation at least 3 weeks before the site review.

## The Desk Review Process

1. **Provider Completes TCM Application.** The provider completes the TCM application and attachments in IRT
2. **Eligibility Validation.** The Department completes this review.  
The Department confirms that the provider is eligible to apply to become a certified AMH+ or CMA.
3. **Preliminary Application Review.** Before the desk review, NCQA conducts a preliminary application review. The application review assesses the application for completeness and checks that the following documents are submitted with the application:
  - a. The provider's most recent annual financial statements or audit from within the past 2 years. If an audited financial statement within this time frame is unavailable, applicants must attach the most recent reviewed financial statement (by an independent CPA) or internally prepared financial statements (income statement and balance sheet).
    - If the provider submits an income statement and balance sheet that have not been audited or reviewed by an independent CPA, a copy of the entity's accounting policies is required.
  - b. An organizational chart.
  - c. Evidence of board or executive-level approval for TCM participation.
4. **Review Team and Administrative Reviewer Rate Application.** The NCQA review team (Review Team A) performs a preliminary review for completeness, document submission and attestations. After that review, an administrative reviewer conducts a financial review and completes the scorecard for all outlined components.
5. **Administrative Reviewer Determines Overall Rating.** After all rating is complete, the administrative reviewer determines an overall rating of "pass" or "fail" for the application.
6. **Executive Reviewer Conducts Review.** After the administrative reviewer determines the overall rating, the executive reviewer conducts an additional review, answers the administrative reviewer's questions, if any, and finalizes the scoring.
7. **Decision is Conveyed to Applicant.** NCQA notifies NC DHHS of the review outcome. NC DHHS sends an outcome notification to each applicant. If an applicant fails the desk review, the notification identifies the area(s) of deficiency.
8. **Reconsideration (if applicable):** Providers that fail the desk review may pursue reconsideration. The reconsideration process includes a review by a second review team (Review Team B) that arrives at a pass/fail determination. Providers that fail the reconsideration process may appeal through the North Carolina Office of Administrative Hearings (OAH), if desired.

**Note:** Providers that pursue reconsideration may not update their application in advance of the reconsideration review. A provider that fails the initial review and updates the application based on feedback from Review Team A may resubmit the updated application during a future round.

## Element Structure

Program scoring is structured as the following:

Scoring Structure	Example Elements
<ul style="list-style-type: none"> <li>• Category                             <ul style="list-style-type: none"> <li>• Standard                                     <ul style="list-style-type: none"> <li>○ Element   <ul style="list-style-type: none"> <li>▪ Factor</li> <li>▪ Factor</li> </ul> </li> <li>○ Element   <ul style="list-style-type: none"> <li>▪ Factor</li> <li>▪ Factor</li> </ul> </li> <li>○ Element   <ul style="list-style-type: none"> <li>▪ Factor</li> <li>▪ Factor</li> </ul> </li> </ul> </li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Financial (FIN)                             <ul style="list-style-type: none"> <li>• FIN 1 – Capacity and Sustainability                                     <ul style="list-style-type: none"> <li>○ FIN 1A – Net Income (Change in Net Assets)   <ol style="list-style-type: none"> <li>1. Does Metric Meet Benchmark? Y / N</li> <li>2. If Financial Capacity metric DOES NOT meet benchmark, is explanation sufficient? Y / N / N/A</li> </ol> </li> <li>○ FIN 1B – Net Working Capital (Current Assets Minus Current Liabilities)   <ol style="list-style-type: none"> <li>1. Does Metric Meet Benchmark? Y / N</li> <li>2. If Financial Capacity metric DOES NOT meet benchmark, is explanation sufficient? Y / N / N/A</li> </ol> </li> <li>○ FIN 1C – Total Equity (Total Net Assets)   <ol style="list-style-type: none"> <li>1. Does Metric Meet Benchmark? Y / N</li> <li>2. If Financial Capacity metric DOES NOT meet benchmark, is explanation sufficient? Y / N / N/A</li> </ol> </li> </ul> </li> </ul> </li> </ul>

## Financial

### Financial (FIN)

#### ***FIN 1 – Capacity and Sustainability***

**Requirement:** [Section V, Part 2.3 of Provider Manual]

The organization must have the capacity and financial sustainability to establish care management as an ongoing line of business, as evidenced by an audited financial statement.

Note: Organizations that do not have an audited financial statement can provide internally prepared financial statements (income statement AND balance sheet).

#### **Net Income (Change in Net Assets)**

- The organization must demonstrate financial capacity and sustainability in the long-term by being profitable. The organization's submitted income statement must show profitability by reporting positive net income (or positive change in net assets) for the year. If the organization reported a net loss for the year, the organization must provide detailed documentation providing historical context and concrete actions being taken to improve profitability in the current year. More recent partial or full year financial statements may be provided to support improvement.

#### **Net Working Capital (Current Assets minus Current Liabilities)**

- The organization must demonstrate financial capacity and sustainability in the short-term (at least 60 days cash on hand) by demonstrating the ability to fund current liabilities. The organization's balance sheet must report total current assets in excess of total current liabilities OR if the total current assets are less than total current liabilities, the organization must provide detailed documentation providing historical context and

concrete actions being taken to improve short-term liquidity in the current year. More recent partial or full year financial statements may be provided to support improvement.

### Total Equity (Total Net Assets)

- The organization must demonstrate financial capacity and sustainability in the long-term by demonstrating its ability to meet long-term financial commitments. The organization's balance sheet must report positive total equity (or positive total net assets) OR if negative, the organization must provide detailed documentation providing historical context and concrete actions being taken to improve long-term solvency in the current year. More recent partial or full year financial statements may be provided to support improvement.

### **FIN 1A – Net Income (Change in Net Assets)**

**IRT element header:** (From C3 and C4 in Organization Background) Attach your organization's most recent annual financial statements or audit (please submit this documentation only once).

This statement must be from within the past two years (e.g., for 2022 applicants, only 2020 or 2021 audited statements are acceptable). If an audited statement within this time frame is unavailable, attach the most recent reviewed (by independent CPA) financial statement or internally prepared financial statements (income statement and balance sheet). Applicants are to provide explanations if their financial capacity metrics are below benchmarks. If the metric meets benchmark, please select "N/A" for Factor 2.

For each instance where the actual amount is below the benchmark, a detailed explanation must be provided, including, but not limited to: the major driver(s) for the actual amount being below the benchmark; the actual amounts from the prior three years; and what the organization is doing to improve performance, including more recent financial statements (partial or full year) to support improvement.

- Factors**
- Does the Net Income metric meet the benchmark?
  - If the Net Income metric DOES NOT meet the benchmark, is a sufficient explanation provided? (Select "NA" if metric meets benchmark).

Scoring	Meets	Does Not Meet
	Factor 1 <b>or</b> Factor 2 = Yes	Factor 1 & Factor 2 = No

### **FIN 1B – Net Working Capital (Current Assets minus Current Liabilities)**

**IRT element header:** (From C3 and C5 in Organization Background of application) Attach your organization's most recent annual financial statements or audit. This statement must be from within the past 2 years (e.g., for 2022 applicants, only 2020 or 2021 audited statements are acceptable). If an audited statement within this time frame is unavailable, attach the most recent reviewed (by independent CPA) financial statement or internally prepared financial statements (income statement and balance sheet). Applicants are to provide explanations if their financial capacity metrics are below benchmarks. If the metric meets benchmark, please select "N/A" for Factor 2.

For each instance where the actual amount is below the benchmark, a detailed explanation must be provided, including, but not limited to: the major driver(s) for the actual amount being below the benchmark; the actual amounts from the prior 3 years; and what the organization is doing to improve performance, including more recent financial statements (partial or full year) to support improvement.



- Factors**
1. Does the Net Working Capital metric meet the benchmark?
  2. If the Net Working Capital metric DOES NOT meet the benchmark, is a sufficient explanation provided? (Select "NA" if metric meets benchmark).

**Scoring**

Meets	Does Not Meet
Factor 1 <b>or</b> Factor 2 = Yes	Factor 1 & Factor 2 = No

## ***FIN 1C – Total Equity (Total Net Assets)***

**IRT element header:** (From C3 and C6 in Organization Background) Attach your organization’s most recent annual financial statements or audit. This statement must be from within the past two years (e.g., for 2022 applicants, only 2020 or 2021 audited statements are acceptable). If an audited statement within this time frame is unavailable, attach the most recent reviewed (by independent CPA) financial statement or internally prepared financial statements (income statement and balance sheet). Applicants are to provide explanations if their financial capacity metrics are below benchmarks. If the metric meets benchmark, please select "N/A" for Factor 2.

For each instance where the actual amount is below the benchmark, a detailed explanation must be provided, including, but not limited to: the major driver(s) for the actual amount being below the benchmark; the actual amounts from the prior three years; and what the organization is doing to improve performance, including more recent financial statements (partial or full year) to support improvement.

- Factors**
1. Does the Total Equity metric meet the benchmark?
  2. If the Total Equity metric DOES NOT meet the benchmark, is a sufficient explanation provided? (Select "NA" if metric meets benchmark).

**Scoring**

Meets	Does Not Meet
Factor 1 <b>or</b> Factor 2 = Yes	Factor 1 & Factor 2 = No

## ***FIN 1D – Financial Statements***

**IRT element header:** For applicants that submitted financial statements that were not audited or reviewed by an independent CPA, attach your accounting policies that detail your process for recording/reviewing journal entries, as well as monthly and annual financial review processes. If your organization has provided audited financials that were reviewed by an independent CPA, please select NA for all factors.

- Factors**
1. Are the reviewing and recording of journal entries from accounting policies provided?
  2. Are the monthly and annual financial review processes from accounting policies provided?
  3. Is the Income Statement (Profit and Loss Account) provided?
  4. Is the Balance Sheet provided?

**Scoring**

Meets	Does Not Meet	NA
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4 Factors	0-3 Factors	NA
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## **FIN 2 – Oversight**

**Requirement:** [Section V, Part 2.4 of Provider Manual]

The organization will present an organizational chart that shows a visual representation of the internal structure including names and position titles, names of management level executives (if known), and budget and financial management lead.

- This chart includes the reporting structure of the organization, as well as the name and title of each individual included in the chart.
- If known, the organization should provide the names of management level executive(s) at the level of the organization (not at the level of each individual site). The list of names should include supervisors of the care management team and supervisors providing close oversight of the TCM program during startup and on an ongoing basis.
- Indication of the individual(s) responsible for budget and financial management.

### **FIN 2A – Organization Chart**

**IRT element header:** Did the organization provide the following (from C7 in Organization Background)?

**Factors** 1. An organization chart that includes the reporting structure of organization as well as the title of each individual on the chart?

<b>Scoring</b>	<b>Meets</b>	<b>Does Not Meet</b>
	Yes	No

### **FIN 2B – Board Approval**

**IRT element header:** (From C8 in Organization Background of application) Did the entity provide documentation that includes evidence of board approval for TCM participation? This should be any documentation confirming the resolution by the governing board and/or executive-level decision approving participation in TCM.

<b>Scoring</b>	<b>Meets</b>	<b>Does Not Meet</b>
	Yes	No

## **Overall Scoring Guidance**

- **Passing Score**

- To receive a final passing score, the organization must score a “meets” rating for all elements listed above.

- **Failing Score**

- To receive a final failing score, the organization receives at least one “does not meet” rating on any elements listed above.

## Provider Manual Requirement to IRT Element Crosswalk

Provider Manual Requirement Name	IRT Element Name
2.3 Capacity and Sustainability	FIN 1A – Changes to New Income/Net Assets
2.3 Capacity and Sustainability	FIN 1B – Net Working Capital
2.3 Capacity and Sustainability	FIN 1C – Total Equity/Total Net Assets
2.3 Capacity and Sustainability	FIN 1D – Financial Statements
2.4 Oversight	FIN 2A – Organization Chart
2.4 Oversight	FIN 2B – Board Approval