

Improving Member Health through Managed Care Program Enhancements

North Carolina's Approach to Standard Plan Re-Procurement

In early 2026, the North Carolina Department of Health and Human Services (NCDHHS) will release a Request for Proposal (RFP) for the Standard Plans (Prepaid Health Plans). The RFP will build upon the progress made from North Carolina's original managed care plan procurement when the Medicaid program transitioned from a primarily fee-for-service system to managed care. With input from key partners, NCDHHS will select the policies and program changes that it will prioritize over the next several years, focusing on reducing avoidable and potentially avoidable care, improving member's timely access to care and supporting providers and the healthcare workforce to deliver the best patient care possible.

Context: In 2021, NCDHHS launched its fully at risk, integrated, whole person managed care program and transitioned away from fee-for-service. For several years, NCDHHS has collected data, requested feedback, and monitored Standard Plan program performance, identifying program areas that can benefit from improvement. Through the re-procurement, NCDHHS has the opportunity to refine program changes and revise Standard Plan contractual requirements to align with Department and legislative initiatives.

Background: In 2015, Session Law 2015-245¹ directed NCDHHS to transition to a managed care delivery system for its Medicaid program. To prepare for the transformation, NCDHHS solicited extensive feedback from Medicaid members, providers, community-based organizations, health plans, state and local officials, and other partners to design a program that places members and providers at the center, ultimately improving the health and well-being of all North Carolinians.

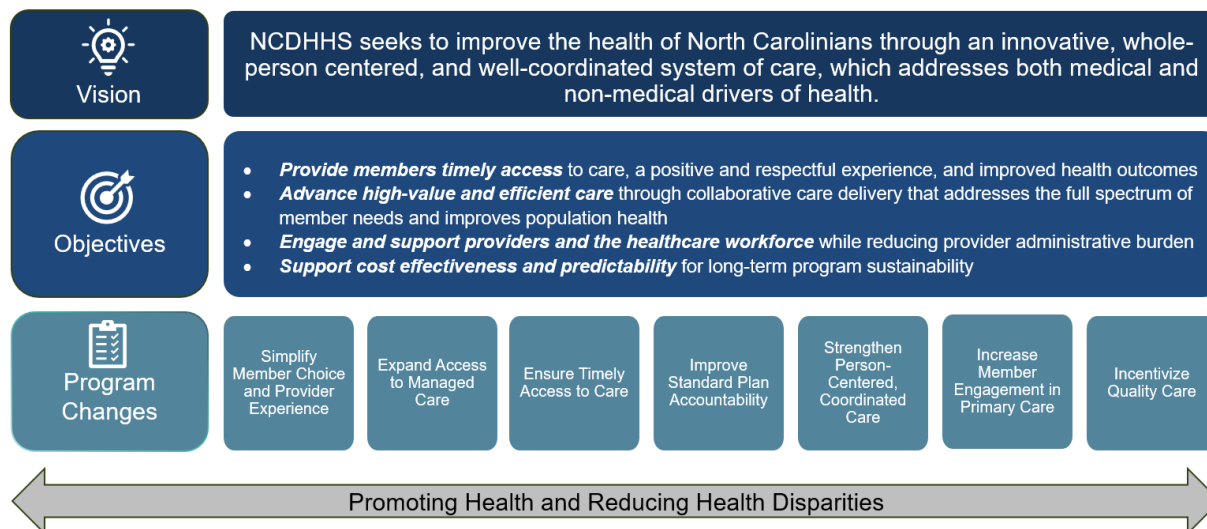
Overview: A key area of focus in this procurement cycle will be that NCDHHS expects health plans and managed care partners will bring innovation to help NCDHHS slow cost growth of the program – not by restricting access or higher administrative burdens but by decreasing avoidable or potentially avoidable care. Therefore, as Medicaid managed care continues to mature in North Carolina, NCDHHS seeks to leverage Standard Plans in more innovative, effective, and efficient ways to improve health guided by the following key objectives:

- **Provide members timely access** to care, a positive and respectful experience, and improved health outcomes
- **Advance high-value and efficient care** through collaborative care delivery that addresses the full spectrum of member needs and improves population health
- **Engage and support providers** and the healthcare workforce while reducing provider administrative burden
- **Support cost effectiveness and predictability** for long-term program sustainability

¹ Session Law 2015-245 has been amended by S.L. 2016-121; Section 11H.17.(a) of S.L. 2017-57, Part IV of S.L. 2017-186; Section 11H.10.(c) of S.L. 2018-5; Sections 4 - 6 of S.L. 2018-49; and S.L. 2018-48.

Through these objectives, NCDHHS will focus the re-procurement² on seven program changes that will be refined through input from partners.

North Carolina’s Approach to Standard Plan Re-Procurement



1. Simplify member choice and provider experience

An accessible Medicaid managed care program that is easy for members to navigate improves member agency in their care and ultimately member health. Simplifying choosing a Standard Plan can make it easier for members to evaluate their options and select the Standard Plan that best meets their needs. Fewer Standard Plans also reduces the time providers spend navigating varying Standard Plan policies and procedures, freeing more time to focus on delivering high-quality care. By awarding up to three statewide Standard Plan contracts through a competitive re-procurement, NCDHHS can continue providing members with a meaningful number of Standard Plan options, while simplifying member choice, and improving provider experience.

2. Expand access to managed care

NCDHHS is committed to ensuring that all Medicaid beneficiaries receive coordinated, cohesive care that is tailored to their unique needs. Today, certain vulnerable populations with higher needs – including individuals dually eligible for Medicare and Medicaid, Medically Needy beneficiaries, and Medicaid beneficiaries receiving long-stay nursing home services – receive their Medicaid coverage through NC Medicaid Direct.³ NCDHHS is evaluating transitioning these populations into managed care, considering an integrated care strategy for individuals who are dually eligible for Medicaid and Medicare services and the feasibility of the transition during the next Standard Plan contract term. Under integrated care, a single entity has accountability for whole-person care and coordinates

² This fact sheet provides a high-level summary of key content within the Standard Plan RFP, but it is not a part of the RFP and should not be construed as superseding any information contained in the RFP.

³North Carolina has four 1915(c) waiver programs, which allow the State to offer home- and community-based services not otherwise covered by Medicaid to eligible beneficiaries. The State’s waiver programs include the Innovations waiver, the Traumatic Brain Injury (TBI) waiver (which is only available in the Alliance service area), the Community Alternative Program for Children (CAP/C) waiver, and the Community Alternative Program for Adults (CAP/D) waiver. Individuals who are dually eligible for Medicaid and Medicare services in the Innovations and TBI waivers are enrolled in Tailored Plans, while individuals in the CAP/C and CAP/DA waivers are enrolled in NC Medicaid Direct.

services across both Medicare and Medicaid. This model can help identify member needs, connect members to medical and non-medical care, allow members to remain at home or in community-based settings, and ultimately improve member health.

3. Ensure timely access to care

Network adequacy standards are an important tool to ensure members have access to the providers and care they need. NCDHHS is exploring standards that accurately capture meaningful access – where members have a choice of multiple providers, can easily identify providers that meet their needs, and can readily access care from their preferred providers. NCDHHS is also exploring how to enhance existing measures in critical areas with persistent challenges, and emphasize the use of standards to reduce health disparities. Beyond network adequacy requirements, NCDHHS also plans to use the re-procurement to formalize the Standard Plan’s role in addressing long-standing healthcare workforce shortages in rural and underserved communities through additional contractual requirements.

4. Improve Standard Plan accountability

NCDHHS is examining potential changes to Standard Plan operational and administrative processes that have the greatest impact on member access to coordinated, timely care, including care that addresses non-medical drivers of health. Processes include prior authorization, reimbursement edits, standards for timely access, and grievances and appeals. NCDHHS is also exploring opportunities to continually improve the member experience, the ability of individuals to understand what benefits are available, how to access those benefits in a timely manner, and how to advocate if Standard Plans deny them access. NCDHHS is examining potential changes to hold Standard Plans accountable for ensuring a positive member experience through increased training for their staff, improved member education and materials, and other changes to help members easily navigate their Standard Plan’s processes. With clearer and more specific contractual requirements in these areas, Standard Plans will have greater clarity of expectations and accountability for ensuring members have positive and efficient experiences accessing high-quality care when they need it.

5. Strengthen person-centered, coordinated care

Managed care was designed to support a well-coordinated system of care. Continued investment in and work to improve primary care attribution and assignment, coordinated discharge planning, and investment in timely clinical data through the health information exchange (HIE) will improve system of care coordination. NCDHHS also plans to enhance North Carolina’s person-centered care management program by streamlining care management offerings, coordinating Standard Plan-level oversight, increasing accountability to outcomes, and improving data collection efforts to improve members’ health and well-being.

6. Increase member engagement in primary care

A strong primary care system can improve members’ health. AMHs serve as North Carolina’s principal primary care providers, responsible for most members’ health needs. NCDHHS intends to review and revise the requirements to become an AMH practice, to ensure that the program continues to adapt to member needs. NCDHHS is also considering placing more responsibility on

Standard Plans to engage members in their assigned AMH or to identify an appropriate alternative medical home for them.

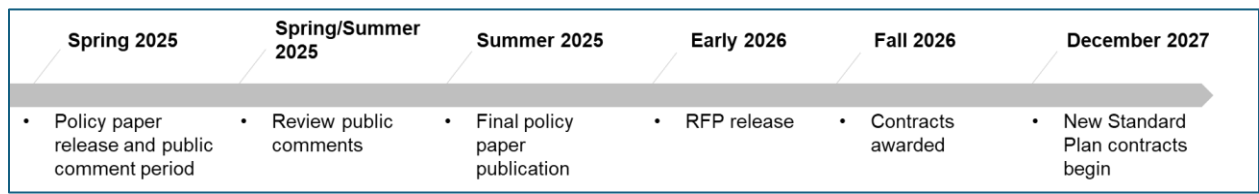
7. Incentivize quality care

NCDHHS will continue to use evidence-based quality measures that are meaningful to members to evaluate Standard Plan performance. NCDHHS is considering simplifying the number of measures that it tracks related to Standard Plan performance. Prioritizing standard measurement areas, potentially across all NC Medicaid programs, to reflect North Carolinians’ greatest health needs, will encourage value-based arrangements that increase accountability for improvements in health outcomes. Strengthening transparency and data sharing will further contribute to Standard Plan performance expectations to improving member health.

Next Steps

NCDHHS compiled this detailed proposed program design for Medicaid managed care to solicit valuable feedback from members, providers, community-based organizations, health plans, state and local officials, and other partners. Public comments will be accepted until May 7, 2025.

Anticipated Timeline



Contact Information

Send all procurement related inquiries to Medicaid.Procurement@dhhs.nc.gov. For more information about Medicaid Managed Care, visit the Medicaid Transformation website at www.ncdhhs.gov/medicaid-transformation.