

Medicaid Managed Care Policy Paper

North Carolina's Design for State-Funded Services Under Behavioral Health and Intellectual/Developmental Disability Tailored Plans

North Carolina Department of
Health and Human Services

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Introduction and Background

The first priority of the North Carolina Department of Health and Human Services (the Department) is the health and well-being of the individuals we serve. The Department has historically delivered Medicaid- and State-funded¹ behavioral health², intellectual and developmental disability (I/DD), and traumatic brain injury (TBI) services for Medicaid beneficiaries, the uninsured and the underinsured, through a partnership with the Local Management Entities – Managed Care Organizations (LME-MCOs). As North Carolina transitions its Medicaid and NC Health Choice programs from a predominantly fee for service (FFS) delivery system to managed care, the Department seeks to not only ensure that North Carolinians can continue to access vital State-funded behavioral health, I/DD, and TBI services (State-funded Services), but also improve the delivery of State-funded Services by:

- Promoting consistency and equity in access to State-funded Services by those with the greatest needs;
- Focusing the State-funded Services array on effective treatments that are based on best and/or promising practices consistent with Department priorities;
- Maximizing the impact of limited State and federal funding;
- Further integrating Transitions to Community Living (TCLI) principles and functions; and
- Ensuring the appropriate quality and oversight of State-funded Services.

The Department is transforming its Medicaid program to managed care and creating three types of integrated Medicaid managed care products to serve Medicaid and NC Health Choice beneficiaries:

- **Standard Plans**, which will launch statewide first and will serve the vast majority of Medicaid beneficiaries (approximately 1.6 million)
- **Behavioral Health and Intellectual/Developmental Disability (Behavioral Health I/DD) Tailored Plans**, which will serve populations with more serious behavioral health conditions – including mental health, substance use disorders (SUDs) – I/DD, and TBI; and
- **Statewide Specialized Foster Care Plan**, which will be a plan available statewide to populations enrolled in the foster care system or receiving adoption assistance, and former foster care children and youth up to age 26.

The Department believes that Medicaid beneficiaries with unique needs will benefit from specialized managed care products.

In addition to managing Medicaid services, Behavioral Health I/DD Tailored Plans also will be responsible for managing State-funded behavioral health, I/DD, and TBI services as the LME-MCOs do today. The Department has leveraged its partnership with LME-MCOs and local counties to inform the overall design and structure of Behavioral Health I/DD Tailored Plans. After more than two years of intensive Behavioral Health I/DD Tailored Plan program design work and stakeholder engagement, the Department is preparing to issue the Behavioral Health I/DD Tailored Plan Request for Applications (RFA) in early 2020 to select qualified LME-MCOs to serve as Behavioral Health I/DD Tailored Plans and support the delivery of Medicaid and State-funded Services.

¹ State-funded behavioral health, I/DD, and TBI services are supported by non-Medicaid funds, including Substance Abuse and Mental Health Services Administration (SAMHSA) block grants to the State, other federal discretionary funds and State funding that is authorized by the General Assembly.

² Behavioral health refers to mental health and substance use disorder (SUD).

The Behavioral Health I/DD Tailored Plan RFA will contain both the Medicaid and State-funded scopes of services under a single, combined contract. A forthcoming Behavioral Health I/DD Tailored Plan RFA Policy Paper will precede the release of the RFA and will provide further details on the procurement process and select administrative requirements for the Behavioral Health I/DD Tailored Plans.

A. The Roles of the State, LME-MCOs, and Counties in Administering State-funded Services

The needs of local communities consistently inform the design and the delivery of State-funded Services since the creation of the area authorities or county-led government agencies in the 1970s through the shift to LME-MCOs beginning in 2011. With the transition to Behavioral Health I/DD Tailored Plans, Behavioral Health I/DD Tailored Plans, in their role as area authorities, will retain their central role in administering State-funded behavioral health, I/DD, and TBI services to address the needs of their communities.

Building on the groundwork established by the Department and LME-MCOs, Behavioral Health I/DD Tailored Plans will continue engagement with local stakeholders, including recipients and their families, county agencies (e.g., local law enforcement, local school districts, county Department of Social Services (DSS), magistrates), safety net hospitals, and community providers, to understand the needs of the counties they serve and inform system planning for both Medicaid members and State-funded Services recipients. The Department recognizes that these close and collaborative relationships have been critical to promoting local and regional investments in community behavioral health, I/DD, and TBI services.

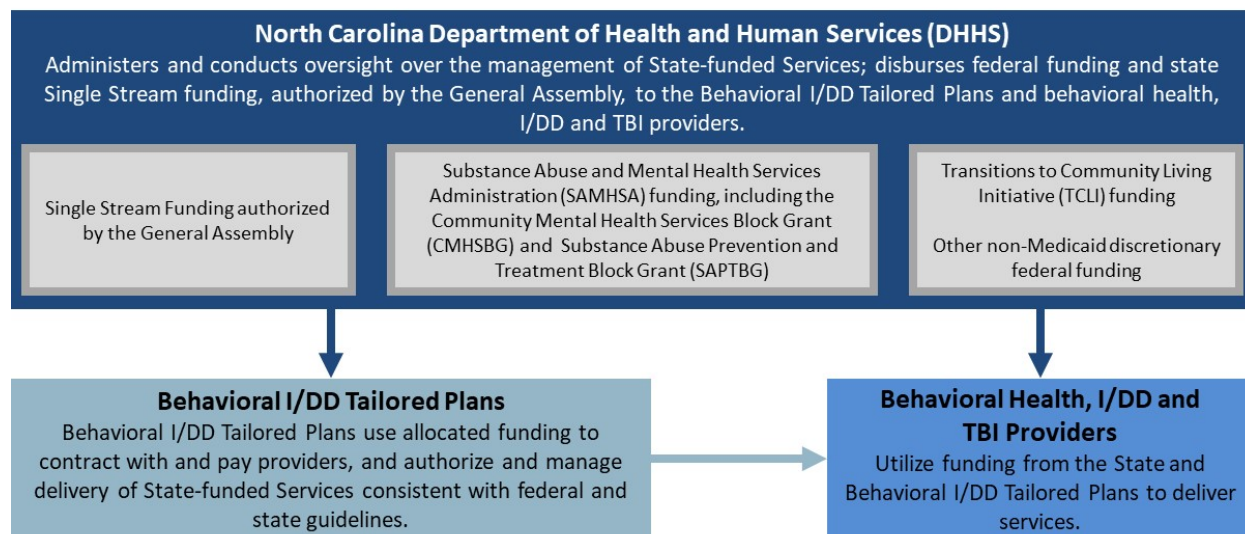
Funding sources for State-funded Services will remain the same following the transition to Behavioral Health I/DD Tailored Plans. These services will continue not to be considered entitlements and will be funded through a combination of State funding and federal grants, including Substance Abuse and Mental Health Services Administration (SAMHSA) block grants. The Department will disburse State funds to the Behavioral Health I/DD Tailored Plans and require the Behavioral Health I/DD Tailored Plans use these funds to authorize and manage delivery of State-funded Services consistent with federal and state guidelines and local needs. The Department will also disburse funds directly to providers for piloting innovative approaches and administrative efficiency of certain State-funded Services.

This policy paper details the Department's vision for the delivery of State-funded behavioral health, I/DD, and TBI services, as well as the continuation of critical "local health functions"³ under Behavioral Health I/DD Tailored Plans and covers the following areas:

- Provision of State-funded Services under Behavioral Health I/DD Tailored Plans, including eligibility, available services, care management, provider networks, and handling of complaints and appeals;
- Continuing the TCLI principles through Behavioral Health I/DD Tailored Plans and extending the functions of in-reach, transition, and diversion to additional populations;
- Engagement and coordination of local health functions in the context of Medicaid Transformation; and
- Accountability for State-funded Services, TCLI functions, and local health functions.

³ Local health functions refer to functions that LME-MCOs currently coordinate and administer, which focus on health prevention and promotion for all North Carolinians, including the Medicaid and State-funded populations.

Figure 1: Overview of Future Approach for Allocation of Federal and State Funds to Behavioral Health I/DD Tailored Plans



I. Provision of State-funded Services Under Behavioral Health I/DD Tailored Plans

Today, there is wide variation in how LME-MCOs administer State-funded Services. Current practices for determining eligibility, waiting lists for services, services offered, and copayments vary by LME-MCOs. The Department seeks to establish eligibility and services-related standards for Behavioral Health I/DD Tailored Plans that will promote equity and consistent access to services across the State.

A. Eligibility

1. Criteria

The Department will require Behavioral Health I/DD Tailored Plans to use standardized criteria detailed below as an initial screening of eligibility for State-funded Services in order to:⁴

- Target State-funded Services to populations with low and modest incomes as detailed in *Table 1* below and/or who need specialized services that are not otherwise available to them;
- Encourage uninsured State-funded Services recipients to apply for Medicaid to obtain comprehensive insurance coverage; and
- Maximize the impact of limited state funds available for behavioral health and I/DD services by ensuring other available coverage and payments sources are pursued.

Following Behavioral Health I/DD Tailored Plan launch, Medicaid beneficiaries enrolled in managed care will be able to access State-funded Services only if they are members of a Behavioral Health I/DD Tailored Plan with the exception of local health functions as detailed in *Section III* below.⁵ Additionally, populations that are excluded or delayed from joining managed care plans, can also access these State-

⁴ Once individuals meet the initial eligibility screen, they will be evaluated for medical necessity prior to obtaining the requested services.

⁵ Standard Plan members will be able to transition to Behavioral Health I/DD Tailored Plans if they require access to State-funded Services.

funded Services while enrolled in NC Medicaid Direct.^{6,7} Recipients of State-funded Services will not be able to access Medicaid services covered by the Behavioral Health I/DD Tailored Plans unless they are enrolled in Medicaid.

The Department will work with stakeholders on the implementation of eligibility criteria to ensure that they are as streamlined and simplified as possible for consumers and providers. Based upon this stakeholder engagement, the Department will develop and release further guidance on how Behavioral Health I/DD Tailored Plans will operationalize these eligibility criteria prior to Behavioral Health I/DD Tailored Plan launch.

Table 1: Behavioral Health I/DD Tailored Plan Eligibility Criteria for State-Funded Behavioral health, I/DD and TBI Services		
Eligibility Criteria	Behavioral Health Services	I/DD and TBI Services
Income	<ul style="list-style-type: none"> • ≤300% of the federal poverty level (\$37,470 for an individual in 2019) 	<ul style="list-style-type: none"> • No specific income limits
Insurance Status/Other Financial Resources	<ul style="list-style-type: none"> • Uninsured; OR • Third-party coverage (including Medicaid) does not cover required service or clinically appropriate alternative; OR • Insured with third-party insurance (including Medicaid): <ul style="list-style-type: none"> ○ Does not cover the State-funded service and there is no clinically appropriate alternative available under third-party/Medicaid coverage; or ○ Covers the State-funded SUD service, but associated cost-sharing is unaffordable. • <i>As a best practice:</i> Applied for Medicaid coverage (not required as many of the individuals accessing State-funded behavioral health services may not be eligible for Medicaid) 	<ul style="list-style-type: none"> • Uninsured; OR • Third-party coverage, including Medicaid, does not cover required service or clinically appropriate alternative; <li style="text-align: center;">AND • Applied for Medicaid coverage

2. Waiting List

Due to limited State funds and high demand for services, individuals today may need to wait for access to State-funded behavioral health, I/DD and TBI services. Behavioral Health I/DD Tailored Plans shall maintain and submit waiting lists of individuals waiting for any State-funded mental health, SUD, I/DD or

⁶ Populations that are excluded from Medicaid managed care are defined under Section 4. (5) of Session Law 2015-245, as amended by Session Law 2016-121 and Session Law 2018-48.

⁷ NC Medicaid Direct refers to North Carolina’s FFS Medicaid program.

TBI service by age and disability group (e.g., adult and child mental health, SUD, I/DD and TBI) to the Department. State-funded providers may also maintain their own waiting lists for services.

In the future and with the implementation of Behavioral Health I/DD Tailored Plans, the Department intends to develop a statewide waiting list for State-funded behavioral health, I/DD and TBI services. Behavioral Health I/DD Tailored Plans will also ensure that their contracted providers report their waiting lists by both disability group and State-funded behavioral health and I/DD services to Behavioral Health I/DD Tailored Plans on a weekly basis. These requirements will improve the ability of the Behavioral Health I/DD Tailored Plans to connect individuals on waiting lists to providers with capacity, as well as to identify statewide service needs to inform Department planning across all disability groups.

B. Services

1. Covered Services

In order to focus limited state funds on effective, evidence-based services for populations with behavioral health, I/DD and TBI needs and promote consistent access to these services across the state, Behavioral Health I/DD Tailored Plans will be required to offer a standard set of State-funded Services targeted to each disability group that meets the Department’s clinical service definitions. A crosswalk of current State-funded Services offered by LME-MCOs and future State-funded Services offered under Behavioral Health I/DD Tailored Plans is detailed below in *Table 2*. The Department intends to seek stakeholder input about which of the state-funded services in *Table 2* should be required across all Behavioral Health I/DD Tailored Plans and which services should be optional in light of the limits on available state funding and the unique resources available in each region.

Current recipients will be able to maintain access to their current or equivalent services if they continue to meet medical necessity following the transition to Behavioral Health I/DD Tailored Plans and the transition to Behavioral Health I/DD Tailored Plans provides the opportunity to ensure that available State-funded Services reflect evidence-based standards and drive to better health care quality and outcomes. Prior to Behavioral Health I/DD Tailored Plan launch, the Department is planning to review, assess, and update its clinical service definitions for current services and develop clinical services definitions for added services.

Table 2: State-funded Behavioral Health, I/DD and TBI Services		
Disability Group	Current Services Covered Under LME-MCOs	Coverage Under Behavioral Health I/DD Tailored Plan
All-Disability	Behavioral health urgent care	Behavioral health urgent care
	Diagnostic assessment ⁸	Diagnostic assessment
	Facility based crisis for adults ⁹	Facility based crisis for adults
	Facility based crisis for children and adolescents	Facility based crisis for children and adolescents
	Inpatient behavioral health services, including three-way contract beds	Inpatient behavioral health services, including three-way contract beds
	Mobile crisis management	Mobile crisis management
	Outpatient services	Outpatient services ¹⁰

⁸ Diagnostic assessment includes assessments delivered through telemedicine.

⁹ This service is referred to as Professional Treatment Services in a Facility-Based Crisis Program in the North Carolina Medicaid program.

Table 2: State-funded Behavioral Health, I/DD and TBI Services		
Disability Group	Current Services Covered Under LME-MCOs	Coverage Under Behavioral Health I/DD Tailored Plan
Adult Mental Health	Assertive community treatment (ACT)	ACT
	Assertive engagement	Assertive engagement
	Community support team (CST)	CST
	Partial hospitalization	Partial hospitalization
	Psychosocial rehabilitation	Psychosocial rehabilitation
	Group living	Mental health recovery residential services ¹¹
	Supervised living	
	Individual placement and support (IPS)	IPS
	Transition management service	Transition management service
		<i>New service: Case management¹²</i>
	<i>New service: Peer supports¹³</i>	
Child Mental Health	Intensive in-home services	Intensive in-home services
	High fidelity wraparound	High fidelity wraparound ¹⁴
	Mental health day treatment	Mental health day treatment
	Multi-systemic therapy	Multi-systemic therapy
	Respite	Respite
I/DD and TBI¹⁵	Adult Developmental Vocational Program (ADVP)	Meaningful day and prevocational services ¹⁶
	Day/evening activity	
	Day supports	
	Developmental day services	
	Personal assistance	
	TBI long term residential rehabilitation services	TBI long term residential rehabilitation services
	Family living	Residential services ¹⁷
	Group living	
	Supervised living	
	Respite	Respite
	Supported employment	Supported employment ¹⁸
Long term vocational supports		
SUD	Ambulatory detoxification	Ambulatory detoxification
	Assertive engagement	Assertive engagement

¹⁰ Outpatient services may include services delivered through telemedicine.

¹¹ Mental health recovery residential services will include group and supervised living services.

¹² This service may include critical time intervention, targeted case management, and RCCM.

¹³ Peer supports include individual and group services.

¹⁴ The Department intends to provide slots for high fidelity wraparound services.

¹⁵ Care management for qualifying recipients with I/DD and TBI will be only be provided by Behavioral Health I/DD Tailored Plans.

¹⁶ Meaningful day and prevocational services will include day supports, developmental day, day/evening activity services, ADVP and personal assistance services.

¹⁷ Residential services will include group, family and supervised living services.

¹⁸ Supported employment will include long term vocational supports.

Table 2: State-funded Behavioral Health, I/DD and TBI Services		
Disability Group	Current Services Covered Under LME-MCOs	Coverage Under Behavioral Health I/DD Tailored Plan
SUD continued	Medically supervised or alcohol or drug abuse treatment center (ADATC) detoxification	ADATC detoxification
	Outpatient opioid therapy (OTP)	OTP
	Non-hospital medical detoxification	Non-hospital medical detoxification
	Group living	Substance use residential supports ¹⁹
	Family living	
	Social setting detoxification	Social setting detoxification
	Substance abuse halfway house	Substance abuse halfway house
	Substance abuse comprehensive outpatient treatment	Substance abuse comprehensive outpatient treatment
	Substance abuse intensive outpatient program	Substance abuse intensive outpatient program
	Substance abuse medically monitored community residential treatment	Substance abuse medically monitored community residential treatment
	Substance abuse non-medical community residential treatment	Substance abuse non-medical community residential treatment
		<i>New service: Case management²⁰</i>
		<i>New service: Clinically managed population specific high intensity residential services²¹</i>
		<i>New service: IPS (supported employment)</i>
	<i>New service: Peer supports²²</i>	

Behavioral Health I/DD Tailored Plans will be required to provide access to the intensity of services and supports necessary to State-funded Services recipients with serious mental illness (SMI), serious emotional disturbance (SED), I/DD, or TBI diagnoses who reside in or are at risk of entry into institutional settings and adult care homes (ACHs) to successfully transition to and live in community-based settings. Behavioral Health I/DD Tailored Plans will also be required to conduct in-reach and support transition and diversion of individuals from institutional settings and ACHs as further described in *Section II* below.

2. Copayments

In alignment with Medicaid policy, which exempts behavioral health and I/DD services from copayments, and to ensure that cost is not a barrier for individuals in need of State-funded Services, Behavioral Health I/DD Tailored Plans will not be permitted to charge copayments for State-funded behavioral health, I/DD and TBI services.

¹⁹ Substance use residential supports will include group and family living.

²⁰ This service may include critical time intervention, targeted case management, and RICM.

²¹ The Department is working to add this service to its array by Behavioral Health I/DD Tailored Plan launch.

²² Peer supports include individual and group services.

C. Care Management

1. Overview

The Department believes that care management will help uninsured recipients of State-funded Services avoid unnecessary emergency department visits, hospitalizations and readmissions, and promote linkages to Medicaid and other resources. In addition, the Department strongly believes that by placing care management as close as possible to the recipient and the site of care, the Department and partners will be positioned to drive better health outcomes. Accordingly, the Department will require Behavioral Health I/DD Tailored Plans to implement a two-pronged approach to care and case management for a subset of uninsured recipients with the highest needs:

- **For recipients with behavioral health conditions**, the Department will develop a new case management service definition. All case management for recipients with behavioral health conditions will be delivered by Behavioral Health I/DD Tailored Plan network providers.
- **For recipients with I/DD or TBI**, Behavioral Health I/DD Tailored Plan-based care managers will be required to provide care management.

For all State-funded populations, the provision of care and case management will be subject to available funding to be determined by the Department and will replace existing Behavioral Health I/DD Tailored Plan care coordination functions.

2. Case Management Provided by Behavioral Health I/DD Tailored Plans for Recipients with Behavioral Health Conditions

For recipients with behavioral health conditions, the Department intends to add two new case management service definitions—discrete definitions—for child and adult recipients with mental health and/or SUD needs. To the maximum extent possible, the service definition will incorporate evidence-based case management interventions, such as Critical Time Intervention or High-Fidelity Wraparound. The Department intends to release this service definition at least six months prior to Behavioral Health I/DD Tailored Plan launch to give Behavioral Health I/DD Tailored Plans sufficient time to build provider networks and educate providers.

To support recipients impacted by and providers offering the new service definitions, Behavioral Health I/DD Tailored Plans will be required to employ a state-funded behavioral health care management coordinator to develop policies, practices and systems that support the provision of case management. State-funded behavioral health care management coordinators' responsibilities will include:

- Assessing the case management provider network and working with the network management staff to identify gaps in the case management provider network;
- Monitoring the delivery of case management services;
- Ensuring that potential referral sources (e.g., hospitals, community providers, law enforcement agencies, DSS) are aware of case management providers in their area; and
- Assisting case management providers with identifying appropriate placement for recipients with complex needs that are creating barriers to securing an appropriate disposition.

3. Care Management Provided by Behavioral Health I/DD Tailored Plans for I/DD and TBI Populations

Behavioral Health I/DD Tailored Plans will be responsible for providing short-term care management to a subset of uninsured, high needs, adult recipients with I/DD or TBI diagnoses. Factors that will be considered include recipients who: require coordination between two or more agencies; have difficulty engaging in treatment services without additional support; or are at risk of entry into institutional settings (e.g., state developmental facilities, ICF-IIDs, state psychiatric facilities or adult care homes).

Behavioral Health I/DD Tailored Plan-based care managers will be required to conduct a diverse range of functions for recipients with an I/DD or TBI. They must conduct a comprehensive, person-centered comprehensive assessment of a recipient’s healthcare needs, functional needs, accessibility needs, strengths and supports, goals, and other characteristics that will inform the recipient’s ongoing individual support plan (ISP). Based on this assessment, the care managers will work with the recipient to develop an ISP that will reflect the recipient’s strengths, needs and goals through a person-centered planning process. Thereafter, the care manager will be responsible for coordinating the recipient’s State-funded Services and other functions including:

- Providing in-person assistance for securing Medicaid coverage;
- Coordinating State-funded Services;
- Performing transition activities for recipients residing in institutional settings (*see Section II for more detail*)
- Connecting recipients to programs and resources that can assist in securing employment, supported employment, volunteer opportunities;
- Providing transitional care management to support recipients as they transition across levels of care; and
- Providing referral, information, and assistance in obtaining and maintaining available medical services (e.g., Federally Qualified Health Centers and Rural Health Centers), community-based resources and social support services.

To leverage efficiencies between Medicaid and State-funded Services, the Department will set the same staffing and training requirements for care managers serving Medicaid beneficiaries with an I/DD or TBI and State-funded Service recipients with an I/DD or TBI. Specifically, care managers serving recipients with I/DD and TBI needs and their supervisors must meet the qualifications in *Table 3* below. Behavioral Health I/DD Tailored Plans will be required to train care managers in a wide range of topics, including methods for addressing unmet health-related resource needs, community integration, home- and community-services, and motivational interviewing.

Table 3. Qualifications for Care Managers and Supervising Care Managers Serving Recipients with an I/DD or TBI	
Care Managers Serving Recipients with an I/DD or TBI	Supervising Care Managers Serving Recipients with an I/DD or TBI
<ul style="list-style-type: none"> • Bachelor’s degree in a field related to health, psychology, sociology, social work, nursing or another relevant human services area, and • At least two years of experience working directly with individuals with I/DD or TBI 	<ul style="list-style-type: none"> • A Bachelor’s degree in a human services field and five (5) years of supervisory experience working directly with complex individuals with I/DD or TBI, or • A Master’s degree in a human services field, with three years of supervisory experience working directly with complex individuals with I/DD or TBI

4. System of Care

The North Carolina System of Care is the framework through which the State delivers Medicaid and State-funded behavioral health services to all children, youth and their families. The core elements of the System of Care approach includes:

- Family-driven, youth-guided services;

- Interagency collaboration;
- Service coordination through a single facilitator;
- Individualized, strength-based, trauma-informed/resilience development approach;
- Culturally and linguistically competent care;
- Evidence-based or informed services provided in a home or community setting; and
- Family and youth involvement in regional and state policy development, implementation, and evaluation.

Behavioral Health I/DD Tailored Plans will use a System of Care approach for all children and youth recipients ages three up to age 21 with a mental health disorder and SUD. Behavioral Health I/DD Tailored Plans will employ System of Care Coordinators and Family Partners will be responsible for comprehensive System of Care planning, implementation, coordination, and training throughout the Behavioral Health I/DD Tailored Plan region.

D. Provider Networks

Having a sufficient and adequate network of providers who can provide the services that a recipient needs is a priority for the Department. In alignment with Behavioral Health I/DD Tailored Plan Medicaid requirements for provider networks, the Department developed robust network standards for Behavioral Health I/DD Tailored Plans to ensure that recipients of State-funded Services have access to culturally competent services that are provided in the least restrictive environment. A core focus for the Department in developing network adequacy standards for Behavioral Health I/DD Tailored Plans is ensuring meaningful availability and accessibility for the spectrum of behavioral health, I/DD, and TBI services, while recognizing current provider capacity. In light of current capacity for select services, the Department will establish an expectation for Behavioral Health I/DD Tailored Plans to develop and deepen provider capacity for priority, evidence-based or best practice services.

Behavioral Health I/DD Tailored Plans will establish and maintain a provider network that ensures State-funded behavioral health, I/DD and TBI services are accessible to recipients in a timely manner as funds are available. Behavioral Health I/DD Tailored Plans will be expected to meet time and distance standards with urban and rural area distinctions, appointment wait time, and Americans with Disabilities Act (ADA) accessibility standards. Behavioral Health I/DD Tailored Plans will be required to submit a network access plan – after contract award and annually thereafter – that describes their approach to meeting network adequacy standards and demonstrates compliance with the Department’s network adequacy requirements.

The Department is committed to promoting access to high-priority evidence-based or best practice interventions and providers that can best meet the needs of State-funded Services recipients. These priority areas include: first episode psychosis (FEP) programs, medication-assisted treatment for opioid use disorders, substance abuse comprehensive outpatient services, substance abuse intensive outpatient program, opioid treatment services and meaningful day and vocational services. Acknowledging that many of these areas face capacity challenges today, as part of the Network Access Plan, Behavioral Health I/DD Tailored Plans will be required to plan for and effectuate strategies for developing access and capacity.

Behavioral Health I/DD Tailored Plans will also be required to develop an approach for addressing cultural competency for specific populations, such as people with who are blind or visually impaired, people who are deaf or hard of hearing, veterans and their families, pregnant women with SUD, people

who identify as LGBTQ+, racial and ethnic minorities, and other vulnerable populations.

E. Recipient Complaints and Appeals

Recipients of State-funded Services must understand and be able to freely exercise their complaint and appeals rights, and have their issues resolved efficiently. Behavioral Health I/DD Tailored Plans will establish and maintain a complaints and appeals system which will include a plan level complaint and appeal process for recipients of State-funded Services, a plan level appeal process for utilization review decisions to deny, reduce, suspend or terminate State-funded Services, and access to the Non-Medicaid State Appeals Panel.^{23,24} Behavioral Health I/DD Tailored Plans will employ strategies to resolve complaints and appeals at the lowest level of escalation that meets recipients' needs and in a manner that does not discourage recipients from exercising their rights. To support recipients throughout the process, Behavioral Health I/DD Tailored Plans will provide recipients reasonable assistance in completing forms and taking other procedural steps related to a complaint or appeal including, but not limited to, auxiliary aids and services upon request, such as providing interpreter services.

II. Extending the Principles of the Transitions to Community Living Initiative through Behavioral Health I/DD Tailored Plans

A. Overview

The Department is committed to preventing institutionalization and providing services and supports in the most therapeutically appropriate and integrated settings for all North Carolinians, including Medicaid members and State-funded Services recipients. In accordance with the Settlement Agreement with the United States Department of Justice North Carolina's TCLI program currently provides eligible adults living with serious mental illnesses the opportunity to live in communities in the least restrictive settings of their choice. This initiative promotes recovery through providing long-term housing, community-based services, supported employment and community integration.

The Department will continue to identify individuals who meet the criteria for TCLI²⁵ and ensure they continue to be served under Behavioral Health I/DD Tailored Plans. The Department will partner with the Behavioral Health I/DD Tailored Plans to extend the principles of TCLI – including in-reach to and transition from institutional settings or an adult care home (ACH), and diversion to community-based services for those at risk of entry to an institutional setting or ACH– for both Medicaid members and State-funded Services recipients with SED, I/DD and TBI diagnoses, and SMI.

The Department strives for all behavioral health, I/DD, and TBI services and supports funded by Medicaid and State-funds to be high quality and sufficient to help individuals achieve increased independence, gain greater integration into the community, obtain and maintain stable housing, avoid harm, and decrease the incidence of avoidable hospital contacts and institutionalization.

The Department will require the Behavioral Health I/DD Tailored Plans to provide access to the array and intensity of services and supports necessary to enable Medicaid members or State-funded Services recipients with SMI, SED, I/DD, or TBI diagnoses who reside in or are at risk of entry into institutional

²³ 10A NCAC 27G.7000 and 10A NCAC 27I.0600.

²⁴ G.S. 122.C – 151.4.

²⁵ <https://www.ncdhhs.gov/about/department-initiatives/transitions-community-living-initiative>.

settings and ACHs to successfully transition to and live in community-based settings. The Behavioral Health I/DD Tailored Plan will provide each member or recipient who received a housing slot under the TCLI Settlement Agreement with access to community-based mental health services that the member or recipient is eligible for under the Medicaid or State-funded service array.

The Department will monitor access to community-based mental health, I/DD and TBI services, and service gaps. The Department will develop and implement measures to provide supported employment services to individuals with SMI, I/DD, and TBI who reside in or are at risk of entry to an institutional setting or ACH that meet their individualized needs. Through contracts with the Behavioral Health I/DD Tailored Plans, the Department will ensure that the number and quality of community-based mental health, I/DD and TBI providers is sufficient to:

- Allow for successful transition of individuals with SMI, SED, I/DD or TBI who reside in or are at risk of entry to an institutional setting or an ACH, to supported housing; and
- Promote the long-term stability and success of individuals with SMI, SED, I/DD and TBI in supported housing.

The Department will continue to operate a quality assurance and performance improvement monitoring system to ensure that community-based placements and services are developed in alignment with the previous TCLI Settlement Agreement, as well as the expectations outlined in the Behavioral Health I/DD Tailored Plan RFA. The Department will also ensure that the individuals who have received services or housing slots pursuant to the TCLI Settlement Agreement are provided with the services and supports they need for their health, safety and welfare.

B. In-Reach, Transition, and Diversion Requirements for Behavioral Health I/DD Tailored Plans

The Behavioral Health I/DD Tailored Plan will assume primary responsibility for in-reach, transition and diversion for Medicaid members and State-funded Services recipients with I/DD, SMI, SED or TBI who are residing in or at risk of entry into an institutional setting or ACH. The forthcoming Behavioral Health I/DD Tailored Plan RFA Policy Paper will include further details on the in-reach, transition, and diversion requirements for Behavioral Health I/DD Tailored Plans, including requirements related to Medicaid members. The below focuses on Behavioral Health I/DD Tailored Plans' requirements for State-funded Services recipients.

1. In-Reach and Transition Services

Behavioral Health I/DD Tailored Plan in-reach staff will work to engage State-funded Services recipients residing in intermediate care facilities (ICFs) and State-funded Services recipients with SMI residing in State psychiatric facilities and ACHs, with the goal of identifying individuals who may be able to have their needs safely met in a community setting. Beginning at the point of admission, in-reach staff will work with the individual and their families or guardians, as appropriate, on exploring options for transitioning to the community, including identifying available services and supports. In-reach staff will be responsible for: educating State-funded Services recipients, as well as their families or guardians, about community-based options; linking State-funded Services recipients to peer support services when available; and ensuring a warm handoff to transition staff for State-funded Services recipients who decide to transition to the community to carry the process forward. In-reach staff will also explore and address any barriers to transition, including access to services and the concerns of State-funded Services recipients—and their families—who decline the opportunity to transition or are ambivalent about transitioning.

For State-funded Services recipients who choose to transition to the community, Behavioral Health I/DD

Tailored Plan transition staff will initiate planning for and work with the recipient on an effective and timely transition to the community that maintains continuity of care. Transition staff will lead a team that includes facility providers and discharge planners; any community-based providers that have been identified and selected; the State-funded Services recipient and their family, as appropriate; and any other transition specialists determined needed. This team will work together to identify and provide timely linkages to available individualized community-based services and supports, clinical specialists, care management, and crisis services if needed. Following discharge to the community, the transition staff will coordinate with the State-funded Services recipient's care manager in the community on follow-ups to identify and address any issues in the critical months following transition.

2. In-Reach and Transition Services for Children and Youth

Recognizing that children and youth residing in institutional settings have unique needs, the Department will establish separate BH I/DD Tailored Plan requirements to ensure that the needs of this population are met. The requirements will be designed to reduce both the average length of stay and the number of youth in institutional settings and will address identification and engagement of children and youth State-funded recipients to receive transition services; collaboration with facilities and community providers; ensuring individualized, person-centered transition plans; identifying and addressing barriers to transition; and ensuring warm handoffs and linkages to community providers and care managers where appropriate.

3. Diversion from Institutional Settings

The Behavioral Health I/DD Tailored Plan will assume primary responsibility for identifying State-funded Services recipients who are at risk of requiring care in an institutional setting or ACH, including recipients who have recently transitioned from an institutional setting, are seeking entry into an institutional setting, or those who have a caregiver who may be unable to provide necessary care to maintain community living. Behavioral Health I/DD Tailored Plan diversion staff will be responsible for providing diversion interventions, including screening for eligibility for community-based services; educating the recipient (and their family, as appropriate) on the choice to remain in the community; providing referrals and linkages to available individualized community-based supports and services; and developing a Community Integration Plan for those who choose to remain in the community.

III. Engagement and Coordination of Local Health Functions in the Context of Medicaid Transformation

The Department also remains dedicated to supporting local health functions that LME-MCOs currently coordinate and administer, which focus on health prevention and promotion for all North Carolinians, including the Medicaid and State-funded populations. Through a series of stakeholder discussions, the Department engaged LME-MCOs and select counties to identify the most appropriate accountability structure for local health functions under a Behavioral Health I/DD Tailored Plan environment. These discussions with the LME-MCOs and counties underscored how critical these functions are to the residents of the counties they serve and highlighted the importance of ensuring these functions transition smoothly at Behavioral Health I/DD Tailored Plan launch.

To support the needs of both their Medicaid and State-funded Services populations, Behavioral Health I/DD Tailored Plans will work with Standard Plans and other stakeholders to support the following functions:

- **Crisis / Involuntary Commitment (IVC):** The Department recognizes that collaboration across Standard Plans and Behavioral Health I/DD Tailored Plans is critical to the successful

implementation of the Community Crisis Services Plans and the sustainability of the behavioral health crisis system that LME-MCOs currently support.²⁶ The Behavioral Health I/DD Tailored Plans will continue to implement and update the Community Crisis Services plan with input from the Standard Plan and other stakeholders.²⁷ The Behavioral Health I/DD Tailored Plans will also coordinate with Standard Plans and local communities around efforts to increase access to and secure the sustainability of behavioral health crisis options, including through development of innovative approaches to behavioral health crisis management as defined in each Community Crisis Services plan as well as participation in local or regional crisis collaboratives.

- **Disaster Emergency Response:** In order to augment and support current disaster planning efforts, Behavioral Health I/DD Tailored Plans will be required to:
 - Develop region specific response plans;
 - Comply with specific network adequacy and prescription requirements to reduce barriers to care;
 - Appoint a representative to the statewide planning panel; and
 - Provide behavioral health services to individuals residing in shelters.
- **Collaboratives:** Behavioral Health I/DD Tailored Plans will also support local collaboratives targeted at addressing the unique needs of the populations they serve as the LME-MCOs do today. In addition to the crisis collaboratives, the Behavioral Health I/DD Tailored Plans will staff city or county community collaboratives and Consumer and Family Advisory Committees (CFACs) work and meetings, work to address service barriers, identify system gaps, and develop cross system training plans for children’s collaboratives, as identified in their Child System of Care activities. The Behavioral Health I/DD Tailored Plans are also encouraged to organize and participate in other local collaboratives, including those focused on the adult and juvenile justice populations and seniors and aging adults.
- **Natural and Community Supports:** Behavioral Health I/DD Tailored Plans are required to work with County Agencies, CFACs, and community-based organizations to increase the availability of natural, community and recovery supports for their recipients. Through these supports, recipients of State-funded Services may be connected to housing, free and low-cost prescriptions, supported employment, and other social services funded through other sources that promote and reinforce community inclusion principles.

IV. Accountability for State-funded Services, Transitions to Community Living Initiative Functions and Local Health Functions

To maintain accountability and proper oversight of federal and State funds that enable high quality care in North Carolina, the Department has established robust standards for evaluating the provision of State-funded Services and holding the Behavioral Health I/DD Tailored Plans accountable for the recipients in their Region.

A. Measuring the Quality of State-funded Services

Quality measurement of State-funded Services is central to fulfilling the Department’s goal to improve

²⁶ Pursuant N.C. G.S. 122c-202.2 and N.C. Session Law 2019-240, LME-MCOs are required to develop Community Crisis Services Plans that include all local area crisis services plans within their catchment areas by August 2020. Each Plan must include: 1) IVC transportation plan developed by the counties; 2) facilities designated as first examination; and 3) training for law enforcement personnel involved in IVC.

²⁷N.C. G.S. 122c-202.2.

the health of North Carolinians through an innovative, and well-coordinated system of care that addresses both medical and non-medical drivers of health. As North Carolina transitions its Medicaid program and State-funded Services system to Behavioral Health I/DD Tailored Plans, the Department will work with Behavioral Health I/DD Tailored Plans to develop a data-driven, outcomes-based continuous quality improvement process that builds upon its experience and focuses on rigorous outcome measurement against relevant targets and benchmarks and promotes equity through reduction or elimination of health disparities.

To support these goals and efforts, Behavioral Health I/DD Tailored Plans will be held accountable for performance on distinct quality metrics for State-funded Services that are meant to provide the Department with a complete picture of its quality and performance and ensure that the Behavioral Health I/DD Tailored Plans are following up with recipients following hospitalizations and crisis events, as well as retaining individuals in supportive housing.

B. Ensuring Appropriate Monitoring of State-funded Services

In order to ensure the health, safety, and welfare of State-funded Services recipients, Behavioral Health I/DD Tailored Plans will be required to report on key programmatic areas that enable the Department to exercise consistent oversight of the delivery of services to these vulnerable populations. Reporting requirements align with the Medicaid program, as appropriate to reduce administrative burden for Behavioral Health I/DD Tailored Plans, and also include reporting requirements unique to State-funded Services to account for distinct State-funded Services features and comply with federal requirements for accessing block grant funding.

To monitor the accountability and stewardship of federal and State funds in North Carolina, Behavioral Health I/DD Tailored Plans will be responsible for reporting the following information:

- **Eligibility:** Behavioral Health I/DD Tailored Plans will monitor the eligibility and income of State-funded Services recipients to allow the Department to identify recipients that may be eligible for Medicaid.
- **Care Management and Prevention:** Behavioral Health I/DD Tailored Plans are required to support care management functions as well as support programmatic prevention efforts. In addition to tracking and monitoring the provision of care management, Behavioral Health I/DD Tailored Plans will identify and report on service utilization for recipients with TBI, I/DD and/or children with complex needs.²⁸ Behavioral Health I/DD Tailored Plans will also monitor services for recipients that participate in the Juvenile Justice Initiative, Work First, and Child Protective Services programs and initiatives, which will not be captured through claims information.
- **Financial Information:** Behavioral Health I/DD Tailored Plans will report financial information on the appropriate use of block grant and State funds, as well as narrative reports detailing progress towards achieving programmatic objectives for which the funding was allocated. Behavioral Health I/DD Tailored Plans will also be required to cooperate with all financial requirements, monitoring and audits as requested by the Department.

²⁸ Children with complex needs include Medicaid-eligible children between the ages of 5 and up to, but under, the age of 21 with a developmental disability (including I/DD and/or Autism Spectrum Disorder), and a mental health disorder, who are “at-risk” of not being able to enter or remain in a community setting.

Next Steps

The Department is eager to continue engaging with stakeholders as it plans to operationalize the Behavioral Health I/DD Tailored Plans. Incorporating recipients, families, providers, LME-MCOs, and other stakeholders into the planning process is critical to a smooth Behavioral Health I/DD Tailored Plan implementation process. Comments may be submitted to Medicaid.Transformation@dhhs.nc.gov. Please include “Behavioral Health I/DD Tailored Plans State-funded Services” in the subject line. Input received by January 29, 2020, will be used by the Department as it refines the Behavioral Health I/DD Tailored Plan RFA.