

Program Update for CMHRP and CMARC Programs: Management of High-Risk Pregnancies and At-Risk Children in Managed Care July 13, 2023

I. Introduction

North Carolina has a long history of providing care management services for high-risk pregnancies and at-risk children in the Medicaid program through locally administered programs. Local Health Departments (LHDs) have been providing services through the Care Management for High-Risk Pregnancies (CMHRP) program and the Care Management for At-Risk Children (CMARC) program since 1986. The CMHRP and CMARC programs¹ align with the Department's goal for all Medicaid transformation efforts: to improve the health of North Carolinians through an innovative, whole-person centered and well-coordinated system of care, which addresses both medical and non-medical drivers of health. The Department believes that a whole-person centered approach to care can help address the inequities that North Carolinians experience in health outcomes and will center equity in all aspects of its transformation work.

This document provides a program update on forthcoming contract changes related to contracting and oversight for the CMHRP and CMARC programs. The Department is committed to ensuring the continuation of high-quality care management services for members eligible for CMHRP and CMARC. This update² provides key information to LHDs, Prepaid Health Plans (PHPs), and other interested stakeholders on the timeline for contract changes, updated details on program oversight, and key areas where the Department is seeking feedback.

II. Background

The CMHRP program provides care management services to pregnant women enrolled in Medicaid determined to be at high risk for adverse outcomes. The CMARC program provides care management services for children zero to five years of age at risk for poor outcomes due to specific medical conditions, adverse childhood events, or physician referral.

As CMHRP and CMARC services have historically been provided by LHDs, PHPs are currently required to contract with willing LHDs to provide these services. The existing Standard Plan contract requires that the PHPs exclusively contract with willing LHDs to provide these care management services through the end of the third year of plan contracting (i.e., through June 30, 2024).^{3,4} This requirement was intended to provide a three-year glidepath for LHDs to transition to a managed care contracting environment and minimize disruptions for highly vulnerable Medicaid members. Under existing policy, beginning July 1,

¹ Prior to managed care, these programs were previously called Pregnancy Care Management (OBCM) and Care Coordination for Children (CC4C), respectively.

² This document does not serve as a replacement to the existing Program Guide but serves as a companion update.

³ CMHRP is a required program for Tailored Plans (launching at a date still to be determined). CMARC is not a required program for Tailored Plans.

⁴ CMHRP and CMARC are required programs for Medicaid Direct; however, there is no timeline for the LHD exclusive contracting requirement to expire.

2024, PHPs would contract with LHDs to provide care management services but would not be required to do so.

LHDs currently accept referrals from PHPs for CMHRP and CMARC services and are responsible for providing intensive care management services to Medicaid enrollees in these programs. Specifically, LHDs are responsible for member outreach, population identification and engagement, assessment and determination of level of need, family engagement, creation of care plans, coordination with health plans and health providers, and provision of care management services. *(Please see existing [Program Guide](#) for more information on these requirements).*

The PHP's primary roles are to provide oversight and monitor LHD performance. In these roles, PHPs may initiate action in one of two ways: implement a standardized Corrective Action Plan (CAP) or terminate immediately. PHPs rarely pursue immediate termination, and the Department encourages PHPs to use the CAP process to support LHD performance improvement. *(See Appendix for additional detail on CAPs and contract termination processes.)* The call out box below highlights contracting terms regarding the expectations of PHPs to contract with LHDs, or if the contract is declined, to contract with an alternate LHD or other entities for provision of local care management services.

Existing LHD Contracting Terms

PHPs offer contracts to every LHD in their service region to provide these care management services, offering them standard terms for each program.

- LHDs have 75 business days to accept the contract to perform care management services for these populations.
- If the LHD declines the contract, the PHP will consult the Department to identify another LHD in the same service region that is willing and able to provide care management services for pregnant recipients at risk for adverse birth outcomes and at-risk children. The PHP will use the same 75-business-day process to contract with the new LHD.
- If the PHP is unable to contract with an alternate LHD, they will:
 - Contract with another entity for the provision of local care management services;
 - Perform the services itself and retain the payment that would otherwise have passed to the LHD.

The existing Standard Plan contract requires that the PHPs abide by these terms and offer contracts to every LHD in their service region until the end of the third year of plan contracting (June 30, 2024).⁵ While the requirement to offer exclusive LHD contracting is scheduled to sunset next year, community partners, including LHDs, have voiced concern about this timing and have requested additional time to transition.

⁵ Department data indicates that at several LHDs have transitioned responsibility for CMHRP and CMARC to another covering entity (e.g., another LHD, Community Care of North Carolina (CCNC), or Federally Qualified Health Centers (FQHCs).

III. Overview of Changes to the CMHRP and CMARC Programs

NC Medicaid is implementing the following updates to further strengthen provision of CMHRP and CMARC services and ensure a smooth transition to voluntary contracting with LHDs in the future.

- 1. Extend existing PHP-LHD exclusive contracting requirements for CMHRP and CMARC programs for one year through June 30, 2025 (originally June 30, 2024)**
- 2. Assess each LHD against process and outcome-based benchmarks by August 2024**
- 3. Require PHPs to contract for CMARC and CMHRP services in Contract Year (CY) 2025-2026 with those LHDs that met the benchmark assessments from August 2024. PHPs will not be required to contract with LHDs that do not meet performance thresholds starting July 2025**
- 4. Starting July 2026, PHPs may contract with LHDs but will not be required to do so**



- 1. Extend existing PHP-LHD exclusive contracting requirements for CMHRP and CMARC for one year through June 30, 2025 (originally June 30, 2024)**

NC Medicaid will extend existing PHP-LHD exclusive contracting requirements for CMHRP and CMARC for one year to June 30, 2025 (originally June 30, 2024). Starting July 1, 2025, PHPs will be required to contract with only those willing LHDs that meet certain performance benchmarks, as described in more detail below. PHPs will notify LHDs of intent to contract in late 2024 to allow for a transition period for PHPs and LHDs, before changes to CMHRP and CMARC contracting requirements are in place as of July 1, 2025.

PHPs may initiate CAPs (refer to Appendix) with LHDs per the approach outlined in existing [Program Guide](#), to address underperformance issues (if any) in advance of the benchmarks' development and release. LHDs can also opt out of providing services in either or both of these programs at any time under the existing Program Guide.



- 2. Assess each LHD against process and outcome-based benchmarks by August 2024**

NC Medicaid aims to strengthen accountability for program performance and maintain service provision among LHDs meeting performance and quality standards in order to continue providing local, high-quality services to at risk pregnant Medicaid members and children. NC Medicaid also intends to encourage alignment of contracting decisions across the PHPs contracting with each LHD, allowing for a more orderly phase-out of the requirement that PHPs offer exclusive contracting with LHDs for these programs.

NC Medicaid will develop a performance and outcome-based set of benchmarks for each LHD by August 2024 to inform contracting decisions for CY 2025-26. Each LHD delivering CMHRP and CMARC services will be assessed against the benchmarks once per program, in the aggregate across PHPs, for the county(ies) in which they deliver the services. NC Medicaid, in partnership with the Division of Public Health (DPH) and the Division of Children and Family Well-Being (DCFV), will undergo a thorough process to vet measures, time periods and/or populations for assessment, and the threshold to “pass” with key community partners before releasing final measures and results. The benchmarks process will include:

- **Release of preliminary benchmark specifications (September 2023):** NC Medicaid will work with community partners to propose measures and an assessment approach for the preliminary benchmark specifications and make them available for PHP and LHD review.
- **Release of preliminary benchmark assessments (December 2023):** NC Medicaid will calculate LHD performance against preliminary benchmark measures using historic performance data. NC Medicaid will share preliminary results and assessments of benchmark performance for informational purposes and LHD feedback by the end of 2023.
- **Release of final benchmark assessments (August 2024):** NC Medicaid will establish a final set of measures and thresholds for benchmarks based on data and community partner feedback. NC Medicaid will release final benchmark results to LHDs to inform PHP contracting by August 2024.

Potential Measures for Benchmarks

Below are potential measures that will be used for the benchmarks, and additional measures not on this list may also be considered. Several of the measures listed below are part of the measure sets outlined in the existing [Program Guide](#).

The Department will engage community partners to finalize the benchmark measures.

CMHRP

- Outreach or attempted outreach after referral
- Comprehensive assessment updated
- Signed care plan (active care management)
- Attempted patient centered interactions (PCI)
- Completed patient centered interactions (PCI)
- Care plan updated
- Timeliness of prenatal care
- Timeliness of postpartum care
- Pre-term labor
- Low birth weight

CMARC

- Outreach or attempted outreach after referral
- Comprehensive assessment completed
- Signed care plan (active care management)
- Attempted patient centered interactions (PCI)
- Completed patient centered interactions (PCI)
- Care plan updated
- Well-child visits (first 15 months, 15-30 months)
- Child well-care visits (age 3-5 years)
- Childhood immunization (Combo 10)

Community Partner Engagement

NC Medicaid will engage community partners and integrate feedback throughout the benchmark development and data validation process. NC Medicaid will request community partner feedback early on in order to establish measures and an assessment approach for the preliminary benchmark specifications, and during the data validation phase will work with community partners to understand data quality issues, improvement needs, and implications for performance data. After the release of the preliminary assessments on benchmark performance, feedback from community partners regarding the initial assessments will inform the final set of measures and thresholds for the benchmarks.



3. Require PHPs to contract for CMHRP and CMARC services in Contract Year (CY) 2025-2026 with those LHDs that met the benchmark assessments from August 2024. PHPs will not be required to contract with LHDs that do not meet performance thresholds starting July 2025.

NC Medicaid will require that PHPs contract with willing LHDs that met the benchmark results released in August 2024 as described above starting July 1, 2025. If an LHD underperforms in accordance with the benchmarks, each PHP contracting with the LHD may terminate their contract.

NC Medicaid proposes that PHPs must follow the existing NC Medicaid Program Guide (refer to 'Existing LHD Contracting Terms' call out box on page 2) on which entities should be offered contracts if the LHD does not meet the established benchmark. NC Medicaid seeks comment from LHDs on this approach.

Existing [Program Guide](#) requires that if the LHD declines the contract, the PHP first attempts to identify another willing LHD before identifying another entity for the provision of local care management services. If the PHP is unable to contract with either of those two entities, it must provide the services itself.

PHPs must develop a transition plan for continuity of services and determine an approach for delivery of services for any counties in which the responsibility for providing CMHRP and CMARC services transitions to a new entity.



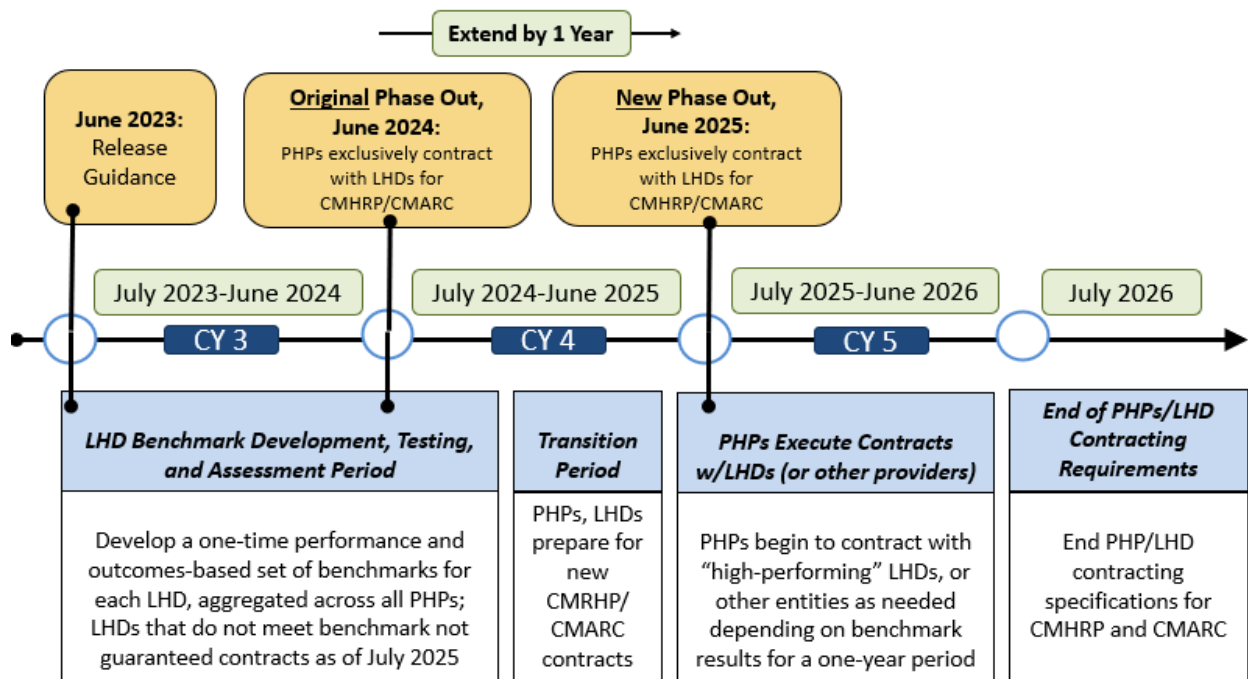
4. Starting July 2026, PHPs may contract with LHDs but will not be required to do so

Starting in July 2026, PHPs can contract with LHDs to deliver these programs, but will not be required to do so. NC Medicaid will remove all PHP/LHD contracting specifications for CMHRP and CMARC. PHPs will still be expected to follow the existing broader local care management requirements that are inclusive of both the CMHRP and CMARC programs.⁶ NC Medicaid expects that the benchmark process taking

⁶ Requirements are noted in Attachment M. 4 and Attachment M. 5 in the existing [PHP contract](#).

place in 2023-2024 will inform the program oversight of care management entities responsible for CMHRP and CMARC in the future.

Timeline Overview of Changes to CMHRP and CMARC (2023 -2026)



IV. Conclusion

NC Medicaid originally designed the three-year glidepath requiring PHPs to exclusively contract with willing LHDs for CMHRP and CMARC in order to set up successful, voluntary LHD-PHP contracting under the new managed care environment, prevent any disruptions, and provide critical services for women and children in need across the state.

The Department is committed to ensuring the continuation of high-quality care management services for pregnant women who are at risk for adverse birth outcomes and for at-risk children. With the program updates described above, NC Medicaid aims to strengthen accountability for program performance, maintain service provision among LHDs meeting performance and quality standards, and enable a smooth transition to voluntary contracting in the future. NC Medicaid will continue to leverage the leadership of PHPs, LHDs, maternity care providers, and other community partners to build upon and update these programs.

NC Medicaid encourages community partners to email Medicaid.NCEngagement@dhhs.nc.gov (subject line "CMHRP CMARC update") with any questions on this program update.

V. Appendix

Current PHP Oversight of LHDs⁷

The Department has developed a standardized process for PHPs to provide oversight. PHPs will intervene and initiate action in one of two pathways: a standardized Corrective Action Plan (CAP) (more common) or immediate termination (rare).

- Pathway #1: Standard Corrective Action Plan
 - The PHP identifies and documents LHD underperformance.
 - The PHP issues a written notice detailing underperformance to the Local Health Department requesting a CAP. PHPs are required to report all CAPs to DHB immediately, using *BCM021: CMARC and CMHRP Corrective Action Plan Report*. DHB will share BCM021 with DPH and DCFW within 72 hours of receiving the report.
 - The LHD will develop and submit a CAP to the PHP for approval within 15 business days of receiving notice of underperformance. The LHD must include in their CAP a “performance improvement plan” that clearly states the steps being taken to rectify underperformance.
The PHP has the right to approve the CAP as written or request modifications within 10 business days. If modifications are requested, the LHD must resubmit an updated CAP within 10 business days.
 - Once the CAP is approved, the LHD has 90 calendar days to implement and meet the performance measures/obligations under the contract.
For good cause, LHD and the PHP can agree to extend the implementation period by an additional 60 business days. Good cause includes a situation where the data lag makes the timeline non-feasible.
If the PHP does not follow up on the CAP at the end of the 90-day timeframe, the Department will consider the CAP satisfied.
 - Failure to perform against the CAP within the prescribed timelines constitutes grounds for termination of the LHD’s contract by the PHP.
In the event of a termination, the LHD would have the right to appeal the termination under the standard provider appeals process.

- Pathway #2: Immediate Termination
 - The PHP will be permitted to immediately terminate a LHD contract without using the CAP process, for a limited number of reasons as per the existing guidance and Companion Guide.⁸
 - Specific actions for terminating a care management contract with an LHD without using the CAP process include:
 - Instances of fraud, waste and/or abuse
 - Specific actions by the LHD that conflict with the PHP/LHD Standard Contract Terms

⁷ [Program Guide Management of High-Risk Pregnancies and At-Risk Children in Managed Care](#), pages 16-17

⁸ [Companion Guide Care Management Service Termination and Transfer of Services Process](#)

- If a PHP terminates a contract with an LHD, they will be responsible for contracting with another LHD in their service region using the previously described “right of first refusal” process, as per the existing Program Guide and Companion Guide.⁹

⁹ [Companion Guide Care Management Service Termination and Transfer of Services Process](#)