

MERGER/MEDICAID WAIVER FAQs

Q. What are Medicaid waivers?

A. In a Medicaid waiver certain standard Medicaid requirements are "waived." The provider network can be "right sized" to help ensure high-quality, financially-stable providers chosen by their ability to meet the needs of the community. Savings in the system can be reinvested in additional services. There is greater control of reimbursement rates for services to respond to local needs and the opportunity to create fiscal incentives to providers that can generate improved consumer outcomes.

Q. What is the status of the proposed merger between The Durham Center and the Wake County LME?

A. Leaders of the two LMEs have engaged in informal discussions over the past year or more about possible logical ways for them to work together. When The Durham Center was designated in October 2011 to begin operating as an MCO beginning in January 2013, these discussions accelerated and became focused on merger. A proposed merger agreement is being crafted by the Durham and Wake LMEs in collaboration with their respective county leadership and governing bodies. When finalized, this agreement will spell out the plan for how the new organization will be governed and staffed, what it will be named and where it will be located, how it will handle State and local funding, and so on.

Q. What is the proposed timeline for merger?

A. The proposed merger agreement calls for the two LMEs to begin operating as a merged Area Authority on July 1, 2012. It is hoped that a merger agreement can be finalized in January 2012 to allow ample time for the new organization to prepare for the July 1 merger.

Q. What does this mean for the partnership with Cumberland and Johnston Counties?

A. Cumberland and Johnston County LMEs are not part of the merger between Wake and Durham Counties. They will continue to operate as single county area authorities with a contract with The MCO outlining roles, functions, responsibilities of each county.

Q. How will The Durham Center operate differently starting January 1, 2013?

A. At that time The Durham Center will begin to operate as a Managed Care Organization (MCO) for mental health, intellectual/developmental disability (IDD) and substance abuse services. As an MCO, The Durham Center will have greater flexibility to shape the service delivery system to ensure access to quality care that results in better consumer outcomes.

Q. Who will manage State and local dollars?

A. The MCO will manage those dollars as well, creating uniform authorization management of Medicaid and State-funded services and a single point of accountability for all public funding.

Q. What will The Durham Center's relationship with Cumberland and Johnston counties be?

A. The Durham Center will work with Cumberland and Johnston Area Authorities to manage the

behavioral health and IDD services for citizens of these counties. Cumberland and Johnston will have a contract with The Durham Center to perform certain functions of the Managed Care Organization to ensure there is a local presence in each County..

Q. What are the advantages to the State and local communities (and taxpayers) of the waivers?

A. The waivers result in stable and predictable Medicaid costs. MCOs are paid a determined amount of money each month for each Medicaid consumer and have the responsibility to manage care with that pool of money. A goal of managed care is to improve the quality of care while controlling the rate of Medicaid growth and managing care for high-risk/high-cost individuals.

Q. Why are the waivers good for consumers?

A. Goals of the Medicaid waiver are to:

- Provide consumers with consistent access to high-quality services in the community
- Use resources in a fair and consistent manner to achieve positive outcomes for consumers
- Provide all services that are in the Medicaid benefit plan available to consumers, so their medically-necessary needs can be met.

Waivers will help enable The MCO to "right size" the provider network to better ensure high-quality, financially-stable providers chosen by their ability to meet the needs of the community. Provider credentials will be carefully verified and they will be closely monitored for quality and consumer satisfaction.

The utilization management function of the MCO will provide a powerful tool to help ensure that consumers receive the right service at the right level, and Care Managers will be available to provide direct support to high-cost/high-risk consumers. The Durham Center MCO will have the resources to enhance its focus on consumer-driven care through the expansion of best practices such as recovery, self-direction, System of Care and person-centered planning that use peer support and consumer-led models of care. Waivers provide a strong mandate for The Durham Center MCO to continue its ongoing efforts to integrate behavioral health and intellectual/developmental disability care with the primary health care system, ensuring more comprehensive care for consumers.

As always, Cumberland County LME will work to ensure consumer choice, to provide local responsiveness to individualized consumer needs and direct relationship with care providers, to give voice to consumers, family members and advocates, to provide 24/7 phone access and crisis services, and to support local CFAC activities.

Q. What about the special concerns of parents and guardians of IDD consumers?

A. Care Coordination through the Managed Care Organization is designed to provide more consistent and effective supports for individuals with intellectual/developmental disabilities. The Innovations

Medicaid Waiver under the MCO is designed to allow for more self-directed supports and services for individuals with intellectual/developmental disabilities. Savings that result from effective management of services for these individuals will be reinvested to support more services.

The MCO including Cumberland County LME is committed to addressing the unique concerns that caregivers have and will do this through internal workgroups, community forums, and the development of a variety of informational materials.

Q. How will local providers be affected?

A. Over time the MCO will most likely have a smaller network, which adheres to all access standards and better allows for provider collaboration, ensures the health of the provider network, and allows for increased oversight and fiscal management by the MCO. In this way, enrollees are assured of appropriate provider choice while providers in the network have an enhanced opportunity for economic viability in the marketplace.

Initially, all providers with existing contracts with The Durham Center and those providing services to Medicaid-funded clients with Medicaid based in the MCO coverage areas of Cumberland, Durham, Johnston and Wake Counties will be entitled to apply for membership to the network. They will go through a credentialing process, with full details to be communicated in the coming weeks and months. The MCO will conduct an annual capacity and geo-access study to evaluate the capacity of the enrolled and credentialed provider network to meet the needs of the coverage area and to measure geographic access to provider locations. These studies will help the MCO know when to add or limit capacity.

Q. What is Cumberland County's plan for sharing additional information with consumers and families, providers and other stakeholders?

A. Cumberland County LME understands that there are concerns and questions throughout the community during this period of transition. Compounding the anxiety is that answers to all of the questions that people have simply have not been finalized yet. Cumberland County LME is committed to the ongoing sharing of information with all affected stakeholders as it become available. This will be accomplished through various means, including keeping these FAQs up-to-date, by use of the Provider Newsletter and regular provider meetings, by holding public forums throughout the MCO region over the coming months, and by creating a revised website and appropriate print materials.