



**Using talking points:**

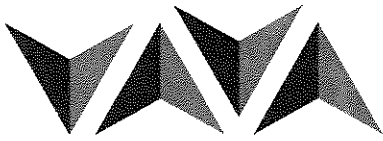
*This document is intended for use by internal staff to distribute to external stakeholders (e.g., providers, community partners) to provide context for the LME/MCO position regarding the Children and Families Specialty Plan (CFSP) proposed by the NC Department of Health and Human Services (NCDHHS).*

**Background and timeline**

- In February 2021, NCDHHS released a policy paper proposing a Specialized Foster Care Plan and sent a survey requesting input from interested stakeholders. Vaya responded to the survey and specifically indicated that we did not support a statewide plan because we believe a local plan is better for these children, their families, and our communities.
- In February 2022, NCDHHS released an updated Children and Families Specialty Plan Policy Paper, which outlined its vision for a Medicaid Managed Care health plan for children, youth, and families served by the child welfare system. The CFSP would be a single, statewide plan managed by one entity. Only commercial health plans operating Standard Plans in NC Medicaid Managed Care or LME/MCOs awarded Behavioral Health and I/DD Tailored Plan contracts may bid to operate the CFSP.
- In the 2022 short session, NCDHHS attempted to get legislative approval to launch the statewide CFSP but was unsuccessful, largely because of the grass roots efforts by Vaya's counties (and counties across the state) who prefer a regional approach.
- In May 2022, the six North Carolina LME/MCOs launched the NC Child and Family Improvement Initiative (NCCFII) to collaboratively improve care for children, youth and families served by the child welfare system.
- In June 2022, NCCFII announced 10 initiatives to improve care delivery, responding to the most significant issues raised by the General Assembly, county Departments of Social Services, providers, and families. This initiative is making it easier for children who relocate within the state to continue to receive services without delay or interruption. It is also lessening the administrative burden on providers who serve this population.
- In March 2023, the Senate passed SB156, "Medicaid Children and Families Specialty Plan," to authorize NCDHHS to move forward with a statewide CFSP scheduled to begin in December 2024. A companion House Bill 340 was introduced on March 9, 2023.

**What is the impact of SB156/HB340?**

- Section 1(a): Directs NCDHHS to issue a Request for Proposals "to procure a single statewide children and families (CAF) specialty plan contract with services to begin no later than December 1, 2024"
- Section 1(b): Directs NCDHHS to request CMS permission to require that a child covered under the CAF plan may not leave and enroll in a Standard Plan or Tailored Plan unless DSS, after consulting plan administrator, agrees
- Section 10: Adds biological parents and minor siblings of children in foster care to coverage under the CAF plan along with "any other recipients who have had involvement with the child welfare system and whom the Department has determined would benefit from enrollment in



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the CAF specialty plan”

- Section 10: Directs that foster care children (and parents and siblings also covered) who exit custody may continue coverage under the CAF plan for one year
- Section 13: Directs that an area authority can apply for the CFSP RFP only if it has a statewide catchment area; directs that counties cannot withdraw from statewide CAF plan
- **IMPORTANT NOTE:** NCDHHS does not currently have the authority to implement the statewide Medicaid CFSP waiver plan. The General Assembly must first authorize NCDHHS to seek approval from CMS for the statewide waiver. Although the Senate has passed SB156, the House has not approved the companion bill. This means NCDHHS does not have the ability to implement a statewide waiver. **In some meetings, stakeholders have been left with the impression that a statewide waiver is a federal mandate. This is not accurate.** While every state must submit a 5-year child welfare plan, there is no federal requirement for a statewide Medicaid waiver, and each state has the flexibility to design their Medicaid program and child welfare system to best meet the needs of their state. Vaya supports maximum flexibility for counties and believes that a statewide waiver will exacerbate provider shortages, harm rural counties, and remove local voice and input into the services for this population.

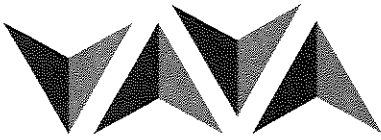
### Swift Progress for NCCFII

Immediately following launch of the NC Child and Family Improvement Initiative, the LME/MCOs developed critical objectives for a statewide model that will support seamless access to quality care for children in foster care, regardless of where they live in North Carolina. In less than one year, the progress of the NCCFII is remarkable. The LME/MCOs have:

- Implemented care manager co-location in more than half of county DSS offices to facilitate operations, communication, and placements for children and youth in foster care. Co-location is in process for 24 additional counties, and the LME/MCOs have designated DSS liaisons for those counties that have chosen not to have an embedded care manager.
- Implemented statewide, standardized policies and administrative processes to alleviate county DSS and provider agency administrative burden and facilitate access to care for the child welfare population.
- Enhanced network adequacy statewide with open enrollment and standardized in- and out-of-network reimbursement rates to ensure timely and appropriate placement in residential treatment, Psychiatric Residential Treatment Facilities, and crisis service facilities regardless of geographic location or the need for transitions of care in another part of the state.

### What Vaya has accomplished

- Since August 2022, Vaya has had an open provider network and eliminated the need for local credentialing from providers. In doing so, Vaya significantly reduced the contracting timeline and added over 200 providers, as well as new child services to contracts.
- On Oct. 1, 2022, Vaya launched a revised Transition of Care Policy supporting the standardized, seamless process for children moving across counties. In addition to the Transition of Care Policy, Vaya launched a revised authorization process to reduce administrative barriers.



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- Vaya has co-located LME/MCO care managers at DSS offices in 30 out of 31 counties.
- Vaya is reimbursing Out of Network (OON) child service providers at the same rate as In Network providers even though NCDHHS wants LME/MCOs to reimburse OON providers at 90% of the in-network rate.
- Vaya increased all residential rates to support the expansion of services with a significant increase made to Therapeutic Foster Care to expand access to family environments.

### Why a Statewide Plan is Not the Right Solution

- It does not solve the primary challenges affecting this population: lack of foster care families, provider workforce shortages, bed availability, funding shortfalls
- A statewide plan will focus on counties with larger populations and rural counties will be left with minimal support
- LME/MCOs will retain existing provider resources under contract and can continue and expand their innovative child welfare service options (e.g., Youth Villages) and focus on solutions tailored to local needs
- A statewide plan cannot create net new provider capacity in the face of the greatest healthcare workforce crisis North Carolina has ever faced
- Another statewide health plan will be expensive and create administrative burden and more complexity for providers already overwhelmed by Medicaid Transformation

### What is the right approach for foster care youth and families?

The right approach is to begin the transition of foster care youth into managed care through the **LME/MCO Tailored Plans**. This approach:

- ✓ Builds on the solid foundation that counties already have with LME/MCOs
- ✓ Retains the dedicated local providers who are deeply rooted in the communities they serve
- ✓ Is less expensive and swifter than a separate plan
- ✓ Preserves the local governance voice counties have through LME/MCO governing boards
- ✓ Allows the state and local advocates to focus on funding, staffing, and bed availability challenges that moving to a commercial plan won't solve