



NEWS RELEASE

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FOR IMMEDIATE RELEASE

N.C. managed care organizations announce coalition

MCO leaders identify collaboration as key to responding to challenges and opportunities of Medicaid reform

Nov. 15, 2017 – Leaders of three North Carolina managed care organizations (MCOs) announced a new partnership to leverage strengths and expertise in response to Medicaid reform. The coalition will unite the efforts of three high-performing MCOs—Alliance Behavioral Healthcare, Trillium Health Resources, and Vaya Health—to address significant, statewide health policy issues that impact North Carolinians across the state. The coalition is in full alignment with the Medicaid Reform plan proposed by the NC Department of Health and Human Services.

The joint effort is not a merger or mandated consolidation. Each of the MCOs will continue to operate in their respective counties, keeping their names, board structure and staffing, in addition to working together as part of the coalition to leverage resources, experience and expertise on a statewide level. MCO leaders identify the collaboration as the most effective way to demonstrate to NC DHHS, the General Assembly and potential commercial healthcare partners that MCOs can successfully implement Medicaid Transformation in a way that advances high-quality care, improves population health, engages and supports providers and establishes a sustainable program with predictable costs (a four-prong approach known as the Quadruple Aim).

Through the formation of the coalition, the MCOs seek to have a stronger voice in preserving the role of the public behavioral healthcare system in Medicaid Transformation, helping ensure continued stability and continuity of care for the people they serve. The potential to establish a combined statewide provider network will enhance access to a diverse range of services and supports for people in both urban and rural areas of the state.

“The public MCO system has unique experience and expertise in addressing the behavioral health needs of North Carolinians,” said Brian Ingraham, Vaya Health CEO. “This coalition provides an opportunity to build on our track record of success and expand our contribution to the health of the people we serve.”

“Trillium Health Resources believes that this closer collaboration with our colleagues at Alliance and Vaya will allow us to better serve our members, regardless of where they live in NC, and will promote a stable environment for our provider partners,” said Leza Wainwright, Trillium Health Resources CEO.

“Alliance has a proven history of effectively serving individuals with multiple and complex needs through evidence based practices, community partnerships and a focus on the social determinants of health – the

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environmental factors that impact peoples' health and quality of life," said Rob Robinson, Alliance CEO. "We are uniquely positioned to advance innovative, whole-person care as North Carolina transforms its Medicaid program, and this coalition will strengthen our ability to positively impact service delivery on a statewide basis."

The formation of the coalition does not affect the services and supports of any members of Vaya, Trillium and Alliance Medicaid health plans. Members who have questions should contact their MCO through the respective Access to Care lines.

About the Coalition

Alliance Behavioral Healthcare, Trillium Health Resources and Vaya Health are local management entity/managed care organizations (LME/MCOs) responsible for managing publicly-funded behavioral health and IDD services in three catchment areas that collectively span the State of North Carolina from the mountains to the sea. Together, they are responsible for managing more than \$1.375 billion in public funds and 610,000 Medicaid covered lives across 52 counties. More information about the coalition can be found at www.advancingncwholehealth.com.

About Alliance Behavioral Healthcare

Alliance Behavioral Healthcare is the managed care organization for publicly-funded behavioral healthcare services for the people of Durham, Wake, Cumberland and Johnston counties. Alliance works with a network of almost 2200 private providers to serve the needs of 471,000 Medicaid-eligible and uninsured individuals within a total population of 1.8 million. Alliance operates an Access and Information Center available 24/7 at (800) 510-9132. Learn more at www.AllianceBHC.org.

About Trillium Health Resources

Trillium Health Resources is a leading specialty care manager (LME/MCO) for individuals with substance use, mental illness and intellectual/developmental disabilities in 25 counties in eastern North Carolina. Trillium's mission is to transform the lives of people in need by providing them with ready access to quality care. We take a person-centered approach to health and wellbeing, coordinating care across multiple systems to achieve improved health outcomes, quality of care and efficient use of resources. Trillium is investing in innovation to meet the unique needs of the individuals and communities we serve, and remains focused on delivering the right services, in the right amount, at the right time. For more information, visit www.TrilliumHealthResources.org.

About Vaya Health

Based in Asheville, N.C., Vaya Health manages public funds for mental health, substance use disorder and intellectual or developmental disability services in 23 western North Carolina counties: Alexander, Alleghany, Ashe, Avery, Buncombe, Caldwell, Cherokee, Clay, Graham, Haywood, Henderson, Jackson, Macon, Madison, McDowell, Mitchell, Polk, Rutherford, Swain, Transylvania, Watauga, Wilkes and Yancey. Access to care and crisis assistance are available 24/7 at 1-800-849-6127. Learn more at www.VayaHealth.com.

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Advancing NC Whole Health

What we are doing

Advancing NC Whole Health is a new partnership to leverage strengths and expertise in response to Medicaid reform. The coalition will unite the efforts of three high-performing MCOs—Vaya Health, Trillium Health Resources and Alliance Behavioral Healthcare—to address significant, statewide health policy issues that impact North Carolinians across the state. Advancing NC Whole Health is in alignment with the Medicaid Reform plan proposed by the NC Department of Health and Human Services.

Why we are joining together

Through the formation of the coalition, we seek to have a stronger voice in advancing the role of the public behavioral healthcare system in Medicaid Transformation, helping ensure continued stability and continuity of care for the people they serve. The combined provider network of the MCOs will enhance access to a diverse range of services and supports to people in both urban and rural areas of the state. It also has the potential to provide more seamless access to services to all of the entities that ultimately are part of North Carolina's evolved Medicaid landscape.

Our leadership identified this coalition as the most effective way to demonstrate to NC DHHS, the General Assembly and potential commercial healthcare partners that MCOs can successfully implement Medicaid Transformation in a way that advances high-quality care, improves population health, engages and supports providers and establishes a sustainable program with predictable costs (a four-prong approach known as the Quadruple Aim).

FAQs

What is the purpose of the coalition?

Coming together as a coalition will enhance our ability to respond to the challenges and opportunities of Medicaid reform, demonstrating to NC DHHS, the General Assembly, and potential commercial healthcare partners that MCOs are able to:

- Work together successfully, leveraging their strengths, experience and expertise, and utilize best practices to increase efficiencies
- Implement Medicaid Transformation in a way that advances high-quality care, improves population health, engages and supports providers, and establishes a sustainable program with predictable costs
- Support both Standard and Tailored Plan concepts to offer a proven, North Carolina-based solution that meets statewide and regional needs for MH/DD/SUD and other complex care populations.

For 24/7 access to care or crisis assistance, call 1-800-849-6127 | NC Relay 711

Serving individuals with mental health needs, substance use disorders or intellectual/developmental disabilities in Alexander, Alleghany, Ashe, Avery, Buncombe, Caldwell, Cherokee, Clay, Graham, Haywood, Henderson, Jackson, Macon, Madison, McDowell, Mitchell, Polk, Rutherford, Swain, Transylvania, Watauga, Wilkes and Yancey counties in North Carolina

What does the formation of this coalition mean for the way Alliance, Trillium and Vaya currently operate?

Each of these MCOs will continue to operate in the North Carolina counties they serve just as they have been – they will keep their same names, leadership, Board structure and staffing – in addition to working together as part of a coalition to leverage their resources, experience and expertise on a statewide level.

Is this a merger?

No, this is not a merger or a mandated consolidation. It is a proactive, cooperative effort initiated by three high-performing MCOs to unite their efforts to address significant, statewide health policy issues that impact all members across the state, such as emergency department boarding, the opioid crisis, and the IDD wait list. The coalition is in full alignment with the Medicaid Reform plan proposed by the NC Department of Health and Human Services.

What value does the coalition bring to people who receive services managed by Alliance, Trillium and Vaya?

As a coalition, our MCOs will have a stronger voice in preserving the role of the public behavioral healthcare system in Medicaid Transformation, helping ensure continued stability and continuity of care for the people we serve. The potential to create a combined statewide provider network that will result from the coalition will enhance access to a diverse range of services and supports for people in both urban and rural areas of the state. We'll be able to leverage the strength of our combined provider networks to better promote the use of evidenced-based practices to ensure high-quality consumer care.

How will the coalition improve the experience for members of the provider network?

As the coalition evolves, we understand the importance of exploring ways to streamline processes and create system efficiencies to reduce the administrative burden on providers. In addition, the coalition supports the opportunity to create a local, regional and statewide provider network which can provide the opportunity for network members to expand their reach across the state and into integrated care.

Will other LME/MCOs be able to join the coalition?

There could be opportunity for other MCOs to partner once the coalition has a clear understanding of its business relationships with Prepaid Health Plans (PHPs) or Provider Led Entities (PLEs). At that point we'll assess gaps and identify strengths of other potential partners for the Tailored and Special Plans. If gaps exist, we'll explore partnerships with other entities, including MCOs, to fill those gaps.



Vaya Health is pleased to introduce Vaya Total Care and announce the launch of the Incedo™ software system.

Vaya Health recently introduced a new way of delivering care coordination to our members throughout western North Carolina. Vaya Total Care (VTC) is a care planning model that offers a team-based approach to integrated healthcare. This model makes navigating the healthcare system easier for our members while supporting enhanced collaboration among behavioral health and medical providers. With support from new business processes and software tools, such as Incedo™, we have increased our efficiency and are delivering better care to our members.

Who does Vaya Total Care serve?

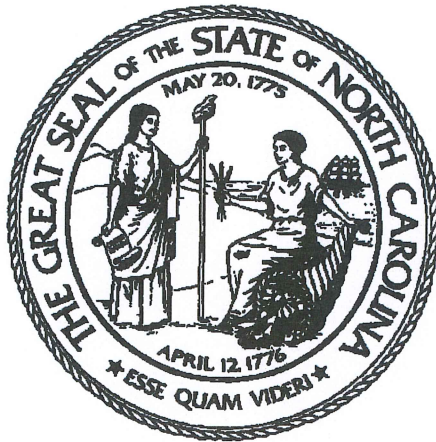
VTC began as a pilot project in McDowell County and is now available throughout western North Carolina. Individuals who are eligible for Medicaid services, live in one of Vaya's 23 counties and have a history of complex medical and/or behavioral health needs may benefit from this program. Our goal is to empower our members to take control of their health. We do this by identifying barriers to better health, building individual and family strengths and providing the tools that our members need to navigate the healthcare system successfully.

What is the benefit of Vaya Total Care?

When behavioral health and medical teams work together, members benefit. This is because better communication among providers means that members' healthcare plans can address the many parts of their lives that help shape the recovery journey. Members also tell us that they are more satisfied with the care that they receive when they know that their chosen providers are working together to support their healthcare goals. That is why our care coordinators have adopted Complex Care Management as our way of serving our members. Complex Care Management enhances traditional models of care coordination and equips members and their care teams with the resources they need to achieve better, more sustainable health outcomes. Using this model, members' full range of needs are addressed more effectively and more efficiently, moving us closer to achieving the Quadruple Aim of Healthcare.

What is Incedo™?

Incedo™ is a software system that improves access to medical, behavioral health and pharmacy information. Easier access to these important records means that members, providers, care coordinators and planning teams can work together more efficiently on behalf of the people we serve. Vaya worked closely with InfoMC, the developers of Incedo™, to design a product that allows the care planning team to share information more easily and communicate more effectively about member needs. This partnership resulted in the creation of a software product that was developed by care coordinators for care coordinators.



**JOINT LEGISLATIVE COMMITTEE
ON MEDICAID AND NC HEALTH CHOICE**

Medicaid Transformation

**Dr. Mandy Cohen, Dave Richard, Jay Ludlam
Department of Health and Human Services**

Nov. 14, 2017

Recap: Where We Are in the Transformation

- **Aug. 2017:** Published detailed Proposed Program Design
- **Nov. 2017:**
 - Released two Requests for Information (RFI)
 - Released a proposed PHP capitation rate setting methodology
 - Released concept paper with further detail on Behavioral Health I/DD Tailored Plans
 - Will soon submit amended 1115 waiver to CMS
- **Next 3-4 months:** Will publish several short, technical concept papers with more detail on specific topics
- **Feb. 2018:** Anticipated CMS approval of revised waiver
- **Spring 2018*:** Release Request for Proposal (RFP)
- **July 2019*:** Phase 1 of managed care goes live

*** Assuming timely CMS approval and other activities**

Pre-Paid Health Plan Procurement

- **Releasing RFIs was the first step in PHP procurement process**
 - Requested non-binding Letters of Interest
- **In spring 2018, intend to release a Request for Proposal (RFP)**
 - RFP will articulate standards PHPs are expected to meet across wide variety of program areas; e.g. plan administration, quality improvement, presence in NC
 - Potential plans will respond with detailed information on how they will meet these standards
 - DHHS will score results based on rubric established in RFP
 - DHHS will establish capitation rates that plans will be paid; all plans who win a bid will be paid using same formula

Behavioral Health Integration

- Consistent with principle of learning from best practices from other states while building on what is working in NC today
- Single point of accountability for care and outcomes; gives beneficiaries one insurance card
- Once managed care is fully implemented, Medicaid beneficiaries would receive coordinated physical and behavioral health services
- Most Medicaid beneficiaries would be enrolled in **Standard Plans**; a smaller number with significant BH or I/DD needs would be enrolled in **Tailored Plans**
- Time sensitive for NCGA action given timing of procurement process

Standard Plans

- **Standard Plans would cover most beneficiaries in Medicaid managed care, including adults and children**
- **Most Medicaid beneficiaries would ultimately be in Standard Plans**
- **Integrated plan providing both physical health and behavioral services**
- **Would be expected to ensure that beneficiaries can access a network of providers for routine and some crisis BH services in addition to physical health services**
- **Would include statewide commercial plans and regional PLEs**
- **Would be selected through a competitive process**
- **Anticipated for Phase 1 of managed care in July 2019**

Behavioral Health and I/DD Tailored Plans

- Specialized plans targeting ~120,000 beneficiaries with significant BH and I/DD needs; would have access to expanded service array
- Integrated plan providing both physical health and behavioral services
- Would be expected to ensure that beneficiaries can access a network of providers for the full, expanded array of BH and I/DD services (and physical health)
- Anticipate a phased rollout after launch of standard plans
 - Tailored plan population would temporarily remain in current arrangement (physical services in state administered fee-for-service, behavioral services authorized through LME/MCOs)
- Tailored Plans would be selected through a competitive process to ensure entities could meet requirements for both behavioral and physical health delivery
- Capitation rate setting formula will reflect enhanced risk of this population

Concept Paper on Behavioral Health and I/DD Tailored Plans

- **Overview of covered populations in Standard Plans and Tailored Plans**
- **Detailed lists of ICD-9 and ICD-10 diagnosis codes associated with each population that would be in Tailored Plans:**
 - **Intellectual/Developmental Disability (I/DD)**
 - **Serious Mental Illness (SMI)/Serious Emotional Disturbance (SED)**
 - **Substance Use Disorder (SUD)**
- **Detailed list of BH and I/DD services covered only by Tailored Plans and list of services covered by both Standard Plans and Tailored Plans**
- **Enrollment processes for Tailored Plans include:**
 - **Processes for both legacy FFS beneficiaries and for new Medicaid applicants**
 - **Processes both before and after the launch of Tailored Plans**
 - **Mid-coverage year transitions and renewals**

Behavioral Health and I/DD Services Available in Standard Plans and Tailored Plans

Covered by Both Standard and Tailored Plans

State Plan BH and I/DD Services

- Inpatient behavioral health services
- Outpatient behavioral health emergency room services
- Outpatient behavioral health services provided by direct-enrolled providers
- Partial hospitalization
- Mobile crisis management
- Substance abuse intensive outpatient program (SAIOP)
- Facility-based crisis services for children and adolescents
- Professional treatment services in facility-based crisis program
- Psychosocial rehabilitation
- Outpatient opioid treatment
- Ambulatory detoxification
- Non-hospital medical detoxification
- Medically supervised or alcohol drug abuse treatment center (ADATC) detoxification crisis stabilization
- Substance abuse comprehensive outpatient treatment program (SACOT)
- Research-Based Behavioral Health Treatment of Autism Spectrum Disorder (*pending CMS approval*)
- Diagnostic assessments

EPSDT

Covered Exclusively by Tailored Plans

State Plan BH and I/DD Services

- Residential treatment facility services
- Child and adolescent day treatment services
- Intensive in-home services
- Multi-systemic therapy services
- Psychiatric residential treatment facilities (PRTFs)
- Assertive community treatment (ACT)
- Community support team (CST)
- Substance use non-medical community residential treatment
- Substance abuse medically monitored residential treatment
- Intermediate care facilities for individuals with intellectual disabilities (ICF/IID)
- Diagnostic assessments

Waiver Services

- TBI waiver services
- Innovations waiver services
- 1915(b)(3) services

All State-Funded BH and I/DD Services

State-Funded TBI Services

EPSDT

Further Work to Develop BH and I/DD Tailored Plans

DHHS intends to work closely with the NCGA to further develop additional components of Tailored Plans:

- **Governance structure for BH and I/DD Tailored Plans**
 - **Non-Medicaid federal grant dollars will be managed by Tailored Plans; thus only non-profit or governmental (122C) entities will be able to offer them**
 - **Anticipate that some LME/MCOs would submit bids in partnership with a physical health plan to serve as a Tailored Plan**
- **Number of regions**
- **Whether or not to procure a statewide Tailored Plan**

Supplemental Payments: Context and Approach

- **Federal rules prohibit DHHS from making supplemental payments (other than DSH and GME) directly to providers for services covered under managed care**
- **DHHS is working closely with NC Hospital Association to design a payment structure within Medicaid managed care with the following goals:**
 - **Achieve cost-neutrality to the State**
 - **Result in similar reimbursement for hospitals**
 - **Continue direct DSH and GME payments**
- **Proposal uses hospital-specific rate floors to prevent disruption**
- **May need statutory authority from NCGA to implement**
- **Same rates will apply under managed care and remaining fee-for-service populations**
- **DHHS will release a white paper with technical details in next few weeks**