

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

H/S

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HOUSE DRH30442-ME-83* (04/16)

Short Title: Partnership for a Healthy North Carolina.-AB

(Public)

Sponsors:

Referred to:

A BILL TO BE ENTITLED

AN ACT TO ENACT THE PARTNERSHIP FOR A HEALTHY NORTH CAROLINA AS DEVELOPED BY THE DEPARTMENT OF HEALTH AND HUMAN SERVICES; AND TO TRANSFORM THE STATE MEDICAID PROGRAM, AS DEVELOPED BY THE DEPARTMENT AND APPROVED BY THE CENTERS FOR MEDICARE AND MEDICAID SERVICES, AS REQUIRED BY FEDERAL LAW.

Whereas, the current State Medicaid Program is fragmented and ineffective in its administration and delivery of services to our State's most vulnerable citizens; and

Whereas, an effective State Medicaid Program must have as its focus the provision of services that are person-centered, that are accessible statewide by all Medicaid and other eligible recipients, and that lead to improved health outcomes; and

Whereas, the State has a responsibility to its tax payers to utilize its limited resources for health services efficiently and effectively to maintain system viability and predictability in planning and budgeting; and

Whereas, responses to the Department of Health and Human Services' recent "Request for Information" from Medicaid providers and recipients and other interested parties call for substantive system reform in the areas of accessibility, system coordination, provider availability, and quality of services, as well as other areas that need attention; Now, therefore, The General Assembly of North Carolina enacts:

SECTION 1.(a) This act shall be known as the "Partnership for a Healthy North Carolina Act." As used in this act, reference to Medicaid includes North Carolina Health Choice.

SECTION 1.(b) The Department of Health and Human Services (Department) shall proceed with its development of system reform through phased-in statewide restructuring of the management and delivery of and reimbursement for services under the State Medicaid Program, including the North Carolina Families Accessing Services through Technology (NCFAST) system and the North Carolina Transparent Reporting, Accounting, Collaboration, and Knowledge management System (NCTracks). As developed by the Department, reform efforts and outcomes shall be designed to produce an integrated delivery system of health care services that is person-centered, applies statewide, and is structured and administered to maximize efficiency and improve health outcomes. Full system reform may be implemented in phases as determined by the Department and shall be completed no later than July 1, 2018. At the time of full implementation, the State Medicaid Program shall be capable of managing all public resources that may become available for Medicaid services, including federal block grant funds, federal funding for Medicaid, and other public funding sources.



1 **SECTION 1.(c)** The Department shall include in its restructuring efforts those
2 State-funded services and reimbursements provided for under North Carolina Health Choice,
3 State-operated facilities, and Local Management Entities/Managed Care Organizations
4 (LMEs/MCOs).

5 **SECTION 1.(d)** The Department's application to the Centers for Medicare and
6 Medicaid Services (CMS) for an innovative 1115 waiver or other federal authority shall
7 provide for statewide delivery of services to Medicaid recipients and, as developed by the
8 Department, shall include:

- 9 (1) Service delivery through at least two but not more than four Comprehensive
10 Care Entities.
- 11 (2) A single system for provider enrollment and credentialing.
- 12 (3) A single system for the submission of claims, claims reimbursement, and
13 claims adjudication.

14 **SECTION 1.(e)** In the event of a conflict between this act and the provisions of
15 any other law pertaining to the State Medicaid Program, North Carolina Health Choice,
16 LMEs/MCOs, and State-operated facilities, including, but not limited to, payments, services,
17 program integrity, and provider credentialing, this act shall control to the extent of the conflict
18 and with respect to the development of the Department's system reform.

19 **SECTION 2.** The Department's Request for Proposal (RFP) for participation and
20 the provision of services shall provide for the selection of at least two but not more than four
21 Comprehensive Care Entities. Comprehensive Care Entities selected by the Department to
22 provide or contract for services must have the capacity to effectively:

- 23 (1) Develop and maintain comprehensive networks of providers to ensure that
24 recipients have seamless access to person-centered services.
- 25 (2) Conduct health risk and functional needs assessments for each recipient to
26 determine appropriate care.
- 27 (3) Provide care and case management to recipients, including those currently
28 served through LMEs/MCOs, Community Alternatives Programs (CAP)
29 programs, Community Care of North Carolina (CCNC) networks, and
30 long-term services and supports.
- 31 (4) Utilize the State's claims payment system effectively and in a timely manner.
- 32 (5) Operate under a risk-adjusted per member/per month (PMPM) rate.
- 33 (6) Operate under or perform any other requirement of the Department as
34 provided in the applicable waiver, State Plan Amendment, contract, or RFP.

35 **SECTION 3.** The Department shall report to the House and Senate Appropriations
36 Subcommittees and the Fiscal Research Division on the status and progress of system reform.
37 The Department shall submit its reports on or before the convening of the 2013 General
38 Assembly, Regular Session 2014, and upon the convening of each session of the 2015 General
39 Assembly and shall issue its final report on the status of full implementation upon the
40 convening of the 2017 General Assembly.

41 **SECTION 4.** In addition to the reporting requirements of Section 3 of this act, the
42 Department shall provide to the 2013 General Assembly, Regular Session 2014, legislation for
43 introduction and consideration that proposes statutory and session law changes necessary to
44 continue the Department's development and implementation of system reform under this act.

45 **SECTION 5.** The Department of Health and Human Services, Division of Medical
46 Assistance, and the Department of Insurance shall work together to identify any statutory or
47 regulatory provisions under the authority of the Department of Insurance that may conflict with
48 or otherwise impair the development and administration of system reform.

49 **SECTION 6.** This act is effective when it becomes law.