

Western Highlands Network 1915 (b)/(c) Medicaid Waiver

The NC Department of Health & Human Services (NC-DHHS) designated Western Highlands Network (WHN) to be the next expansion site for the 1915(b)(c) Medicaid Waiver. The goals of the “waiver” (a reference to a change in Medicaid rules) are to increase consumer access to care, improve quality of care, and demonstrate cost effectiveness. The waiver allows WHN to manage and authorize all Medicaid behavioral health services in Buncombe, Henderson, Madison, Mitchell, Polk, Rutherford, Transylvania and Yancey Counties. The public policy purpose of a waiver is to deliver “the right services to the right person at the right time in the right amount at the right cost”.

Over the past several years, Western Highlands Network has developed a highly qualified, experienced and dedicated staff which manages services provided to State funded consumers. It has developed a stable and competent provider network to deliver these services to consumers. The NC-DHHS, at its highest levels of administrative responsibility, have committed to a close working relationship with Western Highlands so that successful implementation can occur in 2011. In its formal announcement that WHN was chosen, the department said that WHN “*demonstrates the skills, ability, and infrastructure necessary to successfully operate under a 1915(b)(c) waiver*”. The WHN Consumer & Family Advisory Committee (CFAC) has written letters of support for WHN managing the Medicaid Waiver. CFAC members and members of the WHN provider network are meeting weekly with WHN to participate in the development of the waiver implementation plan.

Implications for our Consumers:

- Resources can be used to flexibly create and modify services to address local needs and demands (i.e. developing Recovery Education Centers, or modify reimbursement schedules to support services in rural areas where costs can be higher), these incentives are unavailable in the current fee-for-service system.
- Provides better Self Determination options for Intellectually Disabled/Developmentally Disabled (ID/DD) consumers.
- Local authorization of services affords better utilization of unique local resources & alternatives to assure that consumers receive services at the least restrictive level.
- Demands more hands-on involvement of consumers in LME operations - consumers will have more input into the benefit plan and the services they receive.
- Gives the LME more leverage to encourage “best practice” services for consumers.
- Focus on increased quality of services would lead to better outcomes for consumers.
- With the required provider rating scale, consumers will have more information to make informed choices about where they want to receive their services.
- Improved provider stability would prevent consumers from having to change providers every time a provider becomes unstable or goes out of business.
- Consumers wouldn’t have to deal with a fragmented service system where they have to go to several different providers to get their needs met.
- WHN will have access to all consumer treatment/supports plans including crisis plans which will help improve crisis response and consumer care.
- Resources would be utilized to more effectively integrate behavioral health and primary care medical services for consumers with serious physical health problems.

Potential for Providers:

- Provider concerns about authorizations and claims can be addressed by local LME staff who know the community and the local service environment.
- The waiver eliminates the “any willing and qualified provider” provision. Resources can be focused on providers who deliver the highest quality services the most efficiently.
- Flexibility and resources to develop specialized services, targeted programs, and rates (such as for high risk consumers who need high cost services, or to reduce hospital and jail/detention admissions, or to develop needed services in an underserved area).
- Resources to further develop the WHN Crisis Continuum.
- Availability of alternate funding options to support psychiatric services.
- Providers would have greater input into benefit plans and the service/supports delivery systems.
- Would increase provider stability and decrease the need for loans, advances, and special accommodations to keep providers stable.
- Collaboration with providers to increase quality of care via a success-shared reward system and movement to a Pay-for-Performance system.
- Increase incentives to provide more services in WHN’s rural counties.
- Ability to create more stable workforces and employment options within the counties
- Poorly performing providers could be excluded from the network.
- Enhance support for integrated care providers in the WHN provider network.

Fiscal Implications:

WHN estimates at a minimum it would receive \$120,000,000.

- WHN would continue to receive the annual \$21,000,000 State Single Stream funds.
- WHN would continue to receive the annual \$6,000,000 in Federal Funds for services.
- DHHS will add 2% per year to the PMPM capitation to develop the restricted risk reserve account.
- Total administration/operations funding projected to be \$11,400,000.

WHN will have more fiscal resources to provide services and to manage the changing economic climate, therefore creating greater stability.

This is a unique opportunity for the communities of the eight-county WHN area to participate in the planning and development of the state Medicaid Waiver system. In addition to increasing local control over \$130 to \$150 million dollars in behavioral health services, the waiver will add 50 new jobs across the eight counties. The waiver will also provide local response for consumers who have complaints or grievances and gives the community and its representatives on the WHN Board local oversight for developing and maintaining a strong provider network capable of delivering quality care for consumers who need behavioral health services.

Additional materials and resources are accessible at the WHN waiver website:

<http://www.westernhighlands.org/component/content/article/168.html>