

Legislators Adjourn Without Taking Actions Required for Medicaid Managed Care; DHHS Suspends Implementation of Managed Care

Raleigh
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The North Carolina Department of Health and Human Services today announced that because the NC General Assembly did not take needed action, managed care implementation and open enrollment for NC Medicaid must be suspended. The General Assembly adjourned last week without providing required new spending and program authority for the transition to managed care. Managed care will not go live on Feb. 1, 2020.

With managed care suspended, NC Medicaid will continue to operate under the current fee-for-service model administered by the department. Nothing will change for Medicaid beneficiaries; they will get health services as they do today. Behavioral health services will continue to be provided by Local Management Entities/Managed Care Organizations. All health providers enrolled in Medicaid are still part of the program and will continue to bill the state through NCTracks.

Open enrollment had begun for part of the state in July and launched statewide in October. The Medicaid Managed Care Call Center (833-870-5500) will stay open through Dec. 13, 2019 to answer questions but will no longer enroll beneficiaries in a health plan. Beneficiaries can continue to contact the Medicaid Contact Center (888-245-0179). Notices will be sent to beneficiaries informing them to continue accessing health services as they do now, rather than through new health plans.

The suspension of work and the wind-down process will begin tomorrow. Once suspended, managed care cannot easily or quickly be restarted. The department will not decide on a new go-live date until it has program authority within a budget that protects the health and safety of North Carolinians and supports the department's ability to provide critical oversight and accountability of managed care.

Both the conference and transformation mini budgets passed during this year's legislative session and vetoed by Governor Roy Cooper left the department vulnerable to an unprecedented cut that would have had a crippling effect on its ability to provide services that protect people's health and safety and moved the department out of Raleigh to Granville County. In addition, neither expanded Medicaid so that hardworking North Carolinians could afford access to health coverage.

Background

In 2015, the NC General Assembly enacted legislation directing DHHS to transition Medicaid and NC Health Choice from fee-for-service to managed care. Under managed care, the state contracts with insurance companies, which are paid a predetermined set rate per person to provide all services. The department was on track to go live Feb. 1, 2020. New funding and program authority was required from the General Assembly to meet this timeline.