



The Arc of North Carolina Position on Managed Care Waivers

The State of North Carolina Department of Health and Human Services has indicated that it will shift our MH/DD/SA system to a fully capitated Managed Care System through the use of the 1915(b)(c) Combination Waiver Program. This change will closely follow the Managed Care Model established by the Piedmont Behavioral Health LME. This model transfers all Medicaid and state funds to LMEs in a capitated at-risk model.

The Arc of NC has serious concerns about this change in policy for people with developmental disabilities and their families. The Arc has consistently advocated for a delivery system that meets the individual needs of people with developmental disabilities in an equitable manner.

While the movement to a Managed Care System may be positive for individuals with mental health or substance abuse needs we do not believe it is in the best interest of people with developmental disabilities and their families. Previously our organization requested that the State halt all activities on such waivers for one year while a comprehensive review of the impact upon people with developmental disabilities was undertaken. During the past month, The Arc has continued to present information to our members and others and to receive comments. Consideration of these comments, additional review of the PBH and other Managed Care Models, and the recent passage of National Health Care Reform Legislation prompts us to revise our position to the following:

The Arc of North Carolina opposes the expansion of the Managed Care 1915(b)(c) Combination Waivers to any additional counties beyond the current PBH catchment area. Additional expansion is not in the best interest of people with developmental disabilities.

In lieu of Managed Care for people with developmental disabilities the State should continue its movement to create funding bands within the CAP-DD waivers, offer increased self-directed options and create more flexible service definitions in the existing CAP-DD Waiver.

The State should move authority for CAP plan approval back to the local LME level with aggregate funding to improve efficiency and equity. We believe these recommendations, if fully implemented, will result in a DD system that is cost effective, responsive to individual needs and provides the framework for significantly reducing the waiting list for DD services.

The Arc does not believe that the State should move forward with the Managed Care Model. However, if the State chooses to do so, The Arc firmly believes that developmental disability services should not be part of the Managed Care Model.

Developmental disability services must be “carved out” from Managed Care. Furthermore, if the State does move forward (for MH/SAS only), The Arc believes that the State should only expand Managed Care to one additional demonstration site. Also, the State should establish a controlled review of the quality, access and financial outcomes for people with developmental disabilities as compared with the PBH Managed Care Model where developmental disability services are included in the model.

Because the stated goal of Managed Care has already caused significant disruption as LMEs attempt to prepare for this change, The Arc asks the state to rescind its Managed Care intent for people with developmental disabilities with all due haste.

As we move forward The Arc of NC is committed to assisting the State in developing additional strategies to effectively manage the developmental disability system in a manner that creates positive outcomes, equity and fiscal efficiencies.

Revised and Approved by The Arc of North Carolina Board of Directors 3/27/2010