



## LME/MCO Disengagement Plan

### **Purpose**

On November 6, 2020, the Orange County Board of County Commissioners (BOCC) approved moving forward with disengaging from its current LME/MCO, to Alliance Health. North Carolina law authorizes and prescribes the process through which a county may disengage from one LME/MCO and realign with another. This Disengagement Plan is a description of Orange County's realignment from Cardinal Innovations Healthcare (Cardinal) to Alliance Health. Alliance Health is a Local Management Entity/Managed Care Organization (LME/MCO), a local political subdivision of the state that currently manages mental health, traumatic brain injury, substance use and intellectual/developmental disability services for residents in Durham, Wake, Cumberland and Johnston counties. Members of the Alliance Health Plan are insured by Medicaid or are uninsured.

Currently, our behavioral health services are managed by Cardinal. However, the BOCC has considered our preference for an LME/MCO, and we believe the most effective system for our citizens and community would connect Orange County with the other counties in the Research Triangle, namely Durham and Wake counties. Alliance Health shares Orange County's goal and priority of ensuring a community network of basic human services and infrastructure that maintains, protects, and promotes the well-being of all county residents. It is in consideration of this goal that the Orange County BOCC chose to pursue a relationship with Alliance Health to manage its Medicaid, State, County and other publicly funded behavioral health services for our residents. Orange County is pursuing this relationship with Alliance with the intention of completing the transition prior to Alliance's launch as a Tailored Plan (if awarded a contract) as part of North Carolina's Medicaid Transformation.

Our primary focus is to carry out this process with transparency, commitment to our community, and the involvement of those who will be impacted by the change. This plan outlines the process for Orange County's disengagement from Cardinal and its realignment with Alliance. Alliance has committed to working collaboratively with Orange County, Cardinal, and other applicable stakeholders to ensure a smooth transition for those involved. Orange County has every confidence and expectation that Cardinal will work collaboratively and cooperatively throughout the transition process.

### **I. BACKGROUND**

North Carolina General Statutes and the North Carolina Administrative Code authorize and prescribe the process through which a county may seek permission to disengage from one LME/MCO and realign with another. The final decision-making authority rests with the Secretary of the North Carolina Department of Health and Human Services (DHHS).

On May 3, 2019, the BOCC sent a letter to the North Carolina Association of County Commissioners expressing our preference to become part of a Tailored Plan region that included Durham and Wake counties. While that action did not initiate the formal disengagement process, the same rationale for realigning with those counties within the Research Triangle remain applicable.

On November 5, 2020, the BOCC voted to disengage from our current LME/MCO, Cardinal, to realign with Alliance Health. This Board action is attached and also available on our website at [www.orangecountync.gov](http://www.orangecountync.gov), where other information on this process (including this Disengagement Plan) is or will be posted.

On November 16, 2020, Orange County's Letter of Intent to disengage was sent to the DHHS Secretary, the counties in the regional areas of both Cardinal and Alliance, and the Co-Chairs of the Joint Legislative Oversight Committee on Health and Human Services as required by law.

## II. RATIONALE

As stated in our letter from May 3, 2019, Orange County is committed to ensuring that the best health systems, services and access to care are available to residents in our community. We believe that transitioning to Alliance will best accomplish that goal. From a service perspective, Orange County shares a regional transportation system, a regional workforce, and a network of providers with Durham and Wake counties. Orange County conducted a study of the provider network available to residents with behavioral health needs, and many providers used by County residents are located in Durham County. Other non-profit providers also serve residents from Orange, Durham, and Wake counties.

A good example of that is CASA, which operates in Durham, Wake, and Orange counties to provide housing for people with mental illness. CASA's operations and client access would be more efficient if Orange County were grouped with Durham and Wake counties. Connecting these counties would provide greater access, more varied services, and better public transportation opportunities than any other alignment. Another example is Alliance's partnership with UNC Health Care to address the behavioral health and I/DD needs of patients who are uninsured or on Medicaid. UNC Health Care supports Alliance's efforts to manage a Tailored Plan and is exploring avenues to make a fuller array of its health care system's services accessible to Alliance's prospective Tailored Plan members.

Orange County has always sought more local services and choices for County residents and Alliance's proximity allows greater access to quality services in the Triangle region. Orange County also agrees with Alliance's model of community priorities. Alliance utilizes its local networks of providers and community partners to effectively and efficiently serve individuals pursuant to the following priorities:

- Investment in crisis service continuum, which services are available to anyone, to stabilize individuals experiencing behavioral health crises to reduce unnecessary trips to the emergency department (ED), hospitalizations, and incarcerations. For example, Alliance partnered with community stakeholders to create local crisis facilities in three of its four counties and opened two behavioral health urgent care centers across its service area to connect people with appropriate care and services before urgent situations become crises.

- Enhancing the outpatient service continuum by developing comprehensive outpatient providers in Alliance’s communities. Outpatient services are available to everyone without a payer source who qualifies.
- Building a community-based System of Care, a network of local agencies and community partners to address social and environmental factors, including homelessness, food insecurity, lack of transportation, that particularly impact the overall health of individuals that lack health coverage.
- Organizing consistent community outreach and education initiatives to help individuals navigate the human services system and utilize available local resources.

Finally, Orange County seeks greater transparency and participation in decision making that directly impacts its most vulnerable residents. Alliance is governed by a talented and diverse Board of Directors responsible for comprehensive planning, budgeting, implementing and monitoring of community-based services to meet the health needs of Medicaid recipients and individuals without insurance in its catchment area. Realigning with Alliance would provide Orange County a seat on the Alliance Board of Directors and participation in its many advisory committees.

### III. TIMELINE

Disengagement will be effective as soon as permitted by law and reasonable. While the estimated approval date is nine months from our November 16, 2020 Letter of Intent, Orange County believes a reasonable effective date for the transition would be January 1, 2022, although it reserves the right to realign sooner to minimize any negative impact on County residents from a slower transition. The official disengagement date will ultimately be approved by the DHHS Secretary.

To protect our residents in greatest need, disengagement with Cardinal will occur simultaneously with realignment or “engagement” with Alliance. The process will include a minimum of 60 days for the public to review and comment on this Disengagement Plan on our website. Following this comment period, the comments received will be posted for 30 days. Orange County intends to have ready for submission to the DHHS Secretary the *Written Request to Disengage* documentation and will look for approval from the Secretary within the 90 days as outlined in law.

#### **Important dates in this process:**

February 17, 2021 – Publish this Disengagement Plan 60 days for public comment

April 18, 2021 – Post public comments received for 30 days

May 19, 2021 – Submit the Request to Disengage to the Secretary

August 17, 2021 – Anticipated approval by the Secretary

Secretary Approval - December 31, 2021– Implementation phase

January 1, 2022 – Effective date of transition

### IV. DISENGAGEMENT

This Disengagement Plan serves as a guide and is the first step in the process of transitioning from Cardinal to Alliance. While this Plan should not be considered all-inclusive, we have made every effort to identify the areas on which we need to focus and the necessary steps to ensuring that the needs of our residents are met. Both Orange County and Alliance are dedicated to carrying out this Plan, as outlined in the following focus areas:

### **a. Transition Planning**

To ensure thoughtful and effective community involvement in this transition and to facilitate input and feedback from stakeholders impacted by this change, the Orange County Manager will form an LME/MCO Realignment Committee consisting of key county officials and agencies, Alliance and Cardinal representatives, and other appropriate stakeholders. This will include the following, or their designee, plus others as appointed by the County Manager:

- County Manager (Chair)
- County DSS Director
- County Public Health Director
- Community Health Council Director
- District Attorney
- Orange County Sheriff
- County Finance Director
- UNC Health System Representative
- Local CFAC representative
- One or more Alliance executive and Board member
- One or more Cardinal executives and directors
- Provider representative
- Criminal Justice Resource Department
- Orange County Housing Director

This Committee will meet regularly and act in an advisory capacity to Orange County and Alliance in relation to the realignment efforts. Members of the Committee will be appointed by the County Manager and represent the community and key stakeholders critical to assisting the County with LME/MCO realignment and monitoring of transition milestones before the effective date. Members shall serve as the voice of their respective areas represented, providing valuable feedback and input into transition planning.

### **b. Continuity of Services Plan**

Orange County recognizes the importance of ensuring services for its Medicaid recipients and those that are uninsured are uninterrupted and are provided with high quality, timeliness and a focus on community involvement. Therefore, a Continuity of Services Plan to ensure continuity of services during the transition which includes written notice to the providers with which the Cardinal contracts for treatment of Orange County residents is being developed by Orange County and Alliance. Alliance intends to honor current service authorizations, annual plans and other authorizations essential to ensure a smooth transition.

Alliance understands the importance of minimal system disruptions for members and providers and intends to extend invitations to the Alliance Network to those providers actively treating

Orange County residents. Once the realignment is approved, Alliance will assess the network, identify and take advantage of opportunities, and further enhance it based on the strengths of the existing network with a focus on innovation and evidence-based practices consistent with the philosophies of Alliance, the providers, and Orange County.

Alliance has every intention of honoring provider rates, in fact, if Alliance pays a higher rate, Alliance has agreed to make upward adjustments to those particular provider rates. A financial due diligence period will begin immediately.

### **c. Notification of Stakeholders**

Orange County values and has a history of seeking input from consumers and stakeholders. We believe hearing from our constituents is critically important when making decisions that will impact their lives. This approach is consistent with Alliance's high level of consumer engagement which we have found in our due diligence.

Orange County and Alliance will collaborate to notify stakeholders impacted by this transition. This will include notification to affected providers and Medicaid recipients and those Orange County residents receiving state-funded services currently through Cardinal. Additionally, a concentrated effort will be made to solicit comments, feedback and suggestions from consumers, advocates, providers, State and Local Consumer and Family Advisory Committees (CFACs), and other interested parties. We will use established communication methods, primarily our website, as well as mailings, stakeholder meetings, press releases, and social media messaging as appropriate. All input is welcome and encouraged.

### **d. Community Initiatives**

Orange County is assured that Alliance is committed to becoming embedded in our community and providing community initiatives involving behavioral health, as it has in its other counties. For example, establishing a "Directors Meeting" composed of key health and human services leaders and building on the local System of Care. Alliance provides an array of community services provided by quality local providers, and will work to ensure active connections to housing, social support and other everyday needs.

### **e. Distribution of Real Property Plan**

In accordance with State law, a written plan which provides for the distribution of property, where appropriate, must be approved by Orange County during an LME/MCO realignment process. This disengagement involves no real property (land, buildings, etc.) to be distributed, and therefore no such distribution of property will occur.

### **f. Financial Liabilities**

Orange County affirms that, to our knowledge, it has no outstanding financial liabilities to Cardinal, nor will the County have any within 30 calendar days of the request to disengage. Should Cardinal reasonably disagree, the County will work amicably and promptly with Cardinal to resolve equitably and, if unable to do so, defer the matter to the DHHS Secretary for resolution.

## V. NEXT STEPS/PUBLIC COMMENT

Orange County is seeking public comment on this Disengagement Plan. For 60 days from the posting of this Disengagement Plan on our website at [www.orangecountync.gov](http://www.orangecountync.gov), public comment is welcome and encouraged by email to [countymanager@orangecountync.gov](mailto:countymanager@orangecountync.gov) or by mail addressed to:

ATTN: Orange County Manager  
LME/MCO Realignment  
300 West Tryon St.  
Hillsborough, NC 27278

Following this public comment period, the County will post all responses received for an additional 30 days. Orange County will take into consideration feedback received, will review all written plans, and submit a written request to disengage to the DHHS Secretary for approval (details of which are outlined in the NC Administrative Code referenced below).

In keeping with our dedication to transparency, Orange County commits to keeping the public informed during this process, including public meetings, information and listening sessions with key stakeholders, impacted residents and groups, and more.

## VI. AUTHORITY

This Disengagement Plan has been developed in accordance with current state laws and regulations governing a county's disengagement with an LME/MCO. Specifically, the following were used to create the plan and ensure compliance:

- North Carolina General Statute 122C-115 (a3)
- North Carolina Administrative Code 10A NCAC26C.0701-.0703

Approved this the 16th day of February, 2021 by Orange County Board of County Commissioners by a vote six to zero.