

The Department of Health and Human Services (DHHS) announced today that it will extend open enrollment for Medicaid beneficiaries and move to a statewide transition to managed care on February 1, 2020.

Managed care in North Carolina was scheduled to roll out in two phases, with Medicaid beneficiaries in part of the state beginning managed care services on November 1, 2019 and most of the state beginning on February 1, 2020. With today's announcement managed care will now go-live in one phase for the whole state beginning on February 1, 2020.

The timeline has been adjusted because DHHS cannot implement critical actions to go-live with managed care under the current continuing resolution budget. The updated timeline only impacts counties that were in Phase 1; it does not impact counties that were scheduled for Phase 2. The date of February 1, 2020 for statewide implementation remains unchanged.

Why does DHHS need to revise the timeline for Managed Care?

The transition to managed care is the most significant change ever undertaken by NC Medicaid. For the past four years, the Department has achieved significant milestones to keep the state on track for launch of the program.

The next set of activities that must be implemented depend upon budget action, including finalizing the rates to pay health plans and providers, ensuring health plans have enough providers in their networks to meet the needs of beneficiaries, deploying a complex algorithm to assign beneficiaries who do not self-select plans and doctors, and obtaining federal approval to launch. Since July, DHHS has advised its partners and the General Assembly that the timing of the budget would impact the state's schedule for moving to managed care.

Furthermore, ongoing budget uncertainty has been an impediment to health plans finalizing contracts with doctors and health providers. An essential component of a well running managed care system is the strength of the health care network available to beneficiaries.

What will happen next for those beneficiaries and clinical providers who had been planning to Launch in November?

The Department remains committed to transitioning Medicaid and NC Health Choice from fee-for-service to managed care as directed by the NC General Assembly (Session Law 2015-245). DHHS will continue to move forward with activities that are not tied to budget action, including supporting open enrollment.

Managed care will now launch in one phase. Open enrollment will be extended for the 27 counties in Regions 2 and 4 until December 13, 2019. Nothing changes for the remaining 73 counties. As planned, open enrollment will begin for those 73 counties on October 14, 2019 and run through December 13, 2019.

All stakeholders should continue to work towards the February 1, 2020 implementation date. It is critical that the managed care companies (PHPs) and doctors and health systems continue to work together on contracting.

The 27 counties where open enrollment will be extended include: Alamance, Alleghany, Ashe, Caswell, Chatham, Durham, Davidson, Davie, Forsyth, Franklin, Granville, Guilford, Johnston, Nash, Orange,

Person, Randolph, Rockingham, Stokes, Surry, Vance, Wake, Warren, Watauga, Wilkes, Wilson and
Yadkin counties