



HOUSE BILL 259: 2023 Appropriations Act, Sec. 9E.22: Children and Families Specialty Plan

2023-2024 General Assembly

Committee:		Date:	December 12, 2023
Introduced by:		Prepared by:	Jennifer Hillman Staff Attorney
Analysis of:	Sec. 9E.22 of S.L. 2023-134		

OVERVIEW: Section 9E.22 of S.L. 2023-134 requires the Department of Health and Human Services (DHHS) to issue a request for proposals (RFP) for a Medicaid managed care statewide children and families specialty plan (CAF Specialty Plan) contract to serve children who are enrolled in foster care, are receiving adoption assistance, or are former foster care children under age 26, and their family members, beginning on December 1, 2024. This section makes other changes to the Medicaid managed care statutes.

All changes in this section became effective October 3, 2023.

CURRENT LAW: G.S. 108D-40(a)(13)c. provides that Medicaid beneficiaries who are either enrolled in the foster care system, receiving Title IV-E adoption assistance, or under the age of 26 and formerly were in the foster care system are excluded from managed care coverage by prepaid health plans (PHPs), including standard benefit plans and behavioral health and intellectual/developmental disabilities (BH IDD) tailored plans for five years after the beginning of PHP contracts on July 1, 2021. After five years, G.S. 108D-40(a) requires these individuals to be covered by managed care contracts with PHPs.

BILL ANALYSIS:

This section of the act establishes the CAF Specialty Plan as a new type of managed care prepaid health plan (PHP) contract in addition to the standard benefit plans (Standard Plans) and behavioral health and intellectual/developmental disabilities tailored plans (Tailored Plans) that already exist in law. The CAF Specialty Plan will:

- Be one statewide contract. Medicaid beneficiaries in all counties must be covered by the CAF Specialty Plan. (**Section 9E.22(a), (o)**)
- Begin operating December 1, 2024. (**Section 9E.22(a)**)
- Be awarded based on responses to an RFP. Only licensed PHPs, local management entities/managed care organization (LME/MCOs) under contract as Tailored Plans, and consortia formed by LME/MCOs are eligible to respond to the RFP. (**Section 9E.22(k)/G.S. 108D-62(b)(1)**)
In order to bid on and operate the CAF Specialty Plan, LME/MCOs can do any of the following:
 - Form a consortium with other LME/MCOs by interlocal agreement. (**Section 9E.22(p)/G.S. 122C-116(c)**)
 - Partner with other LME/MCOs or PHPs. (**Section 9E.22(p)/G.S. 122C-116(d)**)
 - Operate outside of their catchment area under contracts and grants. (**Section 9E.22(n)/G.S. 122C-115.4(a1)**)

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- Cover the same services as Tailored Plans, except for the following services: (**Section 9E.22(k)/G.S. 108D-62(c)**)
 - Innovations waiver services.
 - Traumatic Brain Injury waiver services.
 - Services provided in an intermediate care facility for individuals with intellectual disabilities (ICF-IID).
 - Services to individuals participating in Transitions to Community Living.
 - Non-Medicaid, publicly-funded behavioral health services.
- Automatically enroll the following individuals in the CAF Specialty Plan (**Section 9E.22(k)/G.S. 108D-62(d)(1), (f)**):
 - Individuals in foster care.
 - Individuals receiving adoption assistance.
 - Former foster youth until age 26.
 - The children of any of the above individuals.
- Allow specified siblings, specified adults, and any other recipients who have had involvement with the child welfare system that DHHS determines would benefit from enrollment in the CAF Specialty Plan to enroll voluntarily in the CAF Specialty Plan, but they will not be enrolled automatically. (**Section 9E.22(k)/G.S. 108D-62(d), (f)**)
- Allow all individuals who are eligible for the CAF Specialty Plan to opt out of the CAF Specialty Plan by choosing to enroll in a Standard Plan instead. Individuals who meet the eligibility criteria for a Tailored Plan can opt out of the CAF Specialty Plan by choosing to enroll in either a Tailored Plan or a Standard Plan. If allowed by the Centers for Medicare and Medicaid Services, children who are automatically enrolled in the CAF Specialty Plan can only choose a Standard Plan or a Tailored Plan if doing so is in the best interest of the child. (**Section 9E.22(k)/G.S. 108D-62(g)**)
- Disallow the following individuals from enrolling in the CAF Specialty Plan: (**Section 9E.22(k)/G.S. 108D-62(e)**)
 - Recipients who require services that are excluded from CAF Specialty Plan coverage.
 - Certain temporary safety provider caregivers.
 - Recipients who are generally excluded from enrolling with a PHP.
- Allow individuals to remain enrolled in the CAF Specialty Plan for 12 months after they exit the custody of the county department of social services. (**Section 9E.22(k)/G.S. 108D-62(h)**)

This section of the act makes other changes to the Medicaid managed care statutes as follows:

- Allows enrollees in a Tailored Plan to request disenrollment any time without cause. (**Section 9E.22(d)/G.S. 108D-5.3(b)(7)**) Under prior law, these enrollees could only request disenrollment without cause during the 90 days following initial enrollment and once every 12 months after that.
- Adjusts the behavioral health services covered by Standard Plans, as follows:
 - Behavioral health services provided under a 1915(i) waiver that may be approved in the future will not be covered by Standard Plans.

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- Standard Plans can cover the following new substance use disorder services, but a Standard Plan enrollee's use of these services triggers the individual to be moved to a Tailored Plan: **(Section 9E.22(g)/G.S. 108D-35(b)(1), Section 9E.22(h)/G.S. 108D-40(a)(12)d.7.)**
 - Substance abuse comprehensive outpatient treatment program services.
 - Substance abuse intensive outpatient program services.
 - Social setting detoxification services.
- Prohibits recipients of certain services that are not offered under a standard benefit plan from disenrolling from BH IDD tailored plans and enrolling in a standard benefit plan instead. **(Section 9E.22(j)/G.S. 108D-60(a)(11))** The services include:
 - Innovations waiver services.
 - Traumatic Brain Injury waiver services.
 - Services in an ICF-IID.
 - Services to individuals participating in Transitions to Community Living.
 - State-funded residential services.

EFFECTIVE DATE: All changes in this section became effective October 3, 2023.