

Provider-Led and Patient-Centered Care, LLC

FOR IMMEDIATE RELEASE

Contact
Kelly Vogel
kvogel@kvstrategies.net:
704-360-4023

North Carolina's largest health systems announce a collaboration to investigate development of a provider-led and owned Medicaid only Prepaid Health Plan (PHP) in support of the General Assembly and Governor's goal to transform the State's current Medicaid system to a program that provides budget predictability for the taxpayers of the State while ensuring adequate access and high quality of care to those in need.

The Medicaid Reform Landscape

Medicaid supports the health care needs of 1.8 million North Carolinians at a cost of roughly \$13.5 billion. Despite the cost (roughly 75% of the health care budget), the current program does not optimize the health of its beneficiaries or maximize efficiency. For this reason, many providers across the state, including the largest health systems, support the goal of significant Medicaid reform.

Medicaid can be structured to provide greater value to all of its stakeholders—both beneficiaries and taxpayers. To this end, the Legislature and Governor McCrory set in motion the enormous and delicate task of reforming North Carolina's Medicaid program with the passage and signing of House Bill 372. The House and Senate each proposed models with important similarities but also some key differences. The final legislation is a hybrid approach of the two models, including both Accountable provider-led entities (PLEs) and commercial managed care plans (CPs). With the hybrid model that was passed, providers will play a more integral role in delivering effective and coordinated care for all Medicaid beneficiaries.

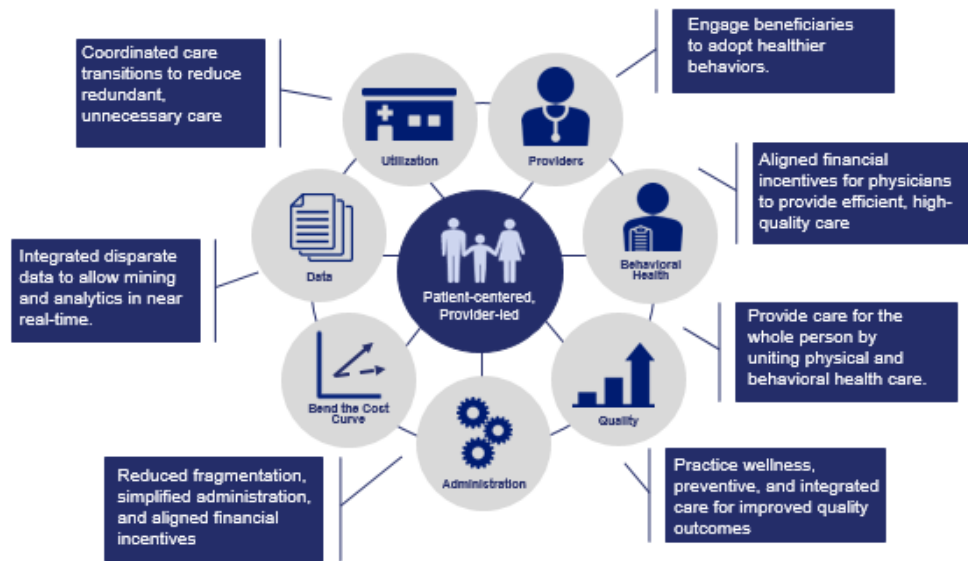
PLEs and CPs will assume the financial risk for service utilization of Medicaid enrollees from the State, while the State retains the risk of enrollment growth and mix among eligibility groups. Instead of unpredictable bills from multiple providers, the State will pay participating PLE or CP entities on a per member per month basis based on the Medicaid enrollees in each group. Under this approach, there is a vested financial interest in delivering high-quality, cost-efficient care to Medicaid enrollees.

Common Goal — Enhanced by Provider Collaboration

Provider-led organizations and physicians strongly supported the PLE model to address Medicaid reform. Providers across the state are preparing for and investing in value-based care to benefit Medicaid beneficiaries and the State of North Carolina by delivering more predictable costs, higher quality outcomes, and enhanced patient and provider experiences.

The health system partners that make up this collaboration continue to believe that doctors and clinicians should make decisions that impact the clinical wellbeing of Medicaid patients. By collaborating through a state-wide provider-led and owned Medicaid-only Prepaid Health Plan, they can continue to act in the best clinical interests of the patients they treat every day, while at the same time coordinating care and administrative functions through the size and scope that come with a state-wide network.

Provider-Led and Patient-Centered Care Goals



Commitment to Constructive Partnership

The final reform law includes a state-wide CP option and the provider-preferred PLE option, with PLEs only operating in pre-defined regions. These options cause increased complexity for the provider community to determine their best path to achieve patient-centered results. As a result, the group of health systems below are evaluating a state-wide provider-led and provider-owned PHP to maximize patient-focus and clinical effectiveness. These health systems plan to develop a PHP that aligns incentives to provide high-quality, cost-efficient care that supports population health management and focuses on prevention and wellness. This option would not preclude any of these health systems from participating in, organizing, or contracting with PLEs or other CPs.

As North Carolina moves forward with the implementation of Medicaid reform, all providers, CPs, PLEs and the State will need to collaborate with one another to design and implement the transformative changes required to benefit the citizens of North Carolina. The current health system members of Provider-Led and Patient-Centered Care, LLC support key principles that are consistent with the direction the governor and legislative leaders advocate, and they are committed to working together through a constructive partnership to implement Medicaid Reform. These members encourage transparency and fairness in the process, and more importantly, encourage all parties to place the patient at the center of all decisions and ensure that providers are at the table for the design and implementation phases.

Current Members of Provider-Led and Patient-Centered Care.

- Cape Fear Valley Health System
- Carolinas HealthCare System
- Cone Health
- Duke University Health System
- Mission Health
- New Hanover Regional Medical Center
- Novant Health
- University of North Carolina Health Care System
- Vidant Health
- Wake Forest Baptist Medical Center
- WakeMed Health & Hospital