

## NC Medicaid Managed Care Qualitative Evaluation 2024: Prepaid Health Plan Perspectives and State Stakeholder Perspectives

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### Why Did We Conduct Interviews?

The qualitative interviews with stakeholders (e.g., physician practices, health plans) are part of a broader multi-year evaluation of North Carolina Medicaid's transition from fee-for-service to Medicaid Managed Care under the 1115 demonstration waiver. The interviews provide candid, in-depth perspectives on prepaid health plans' (PHPs) experiences and their interactions with the state. Three years into the transition, this study offers valuable insights into the progress and challenges of Medicaid Managed Care implementation.

### How Were Interviews Conducted?

We conducted interviews with fifteen participants, including representatives from five PHPs, the North Carolina Association of Health Plans (NCAHP), and state officials. In some organizations, we interviewed more than one representative. Insights from these interviews, conducted between March and July 2024, are summarized below.

### Key Takeaways

The relationship with the state and PHPs is described as highly collaborative, with open communication and frequent meetings helping resolve issues efficiently. However, there is some friction with PHPs' desire for more operational flexibility and the state's cautious oversight, which aims to ensure program consistency. Despite challenges, the overall transition is viewed positively, especially in comparison to other states' experiences.

### PHPs and the State

Generally positive and collaborative relationship

- Most participants described the relationship between PHPs and the state as “collaborative”
- Open communication, regular meetings, and a focus on resolving issues through discussions.
- The state remains receptive and takes recommendations from the plans.

PHPs' expertise supports the state's managed care transition

- While the state is implementing managed care for the first time, PHPs bring valuable experience
- PHPs offer insights that help shape the transition (e.g., reporting volume, operational challenges, policies).

NC's managed care reported as smoother than other states

- PHPs highlighted the relationship in North Carolina as more cooperative and positive compared to their experiences in other states.
- Collaboration between the state, PHPs, and stakeholders aided the “smooth” transition to managed care, even compared to other states.

*“I found it easy for us to align or resolve issues pretty timely and collaboratively, because we all have the same goal in mind. We wanna protect our members and provide the best service.” -State Official*

*“I think it's unusual the amount of collaboration and the amount of communication we have with each other, with the state [...] the state's always asking for feedback” -PHP Senior Leader*

*“We were able to work with the state, along with all of the other health plans, to come up with some really solid evidence-based criteria that all providers in North Carolina can be comfortable with.” -PHP Senior Leader*

*“I think there's been a uniquely dedicated group of people that have worked towards the implementation of managed care in North Carolina [...], compared to what happened in other states when they went to managed care, we've done a pretty good job here in North Carolina.” -NCAHP*

## Communication and Logistics

Regular meetings and various channels of communication fosters strong partnership:

- Two-way communication exists, with a state official regarding it as a “priority”
- Meetings include with NCAHP, joint meetings with plans and state officials, monthly meetings with heads of plans and state leadership

Well-established pathways for escalation help promote effective problem solving.

- Meetings and escalation processes help address and resolve provider issues efficiently with PHPs
- Workgroups form to address shared challenges across PHPs (e.g. non-emergency transportation)

Generally positive responses about the level of communication

- Most PHPs appreciate the frequent touchpoints which keep them well-informed
- One respondent admitted that those meetings involve a lot of time

*“I think it works really well. The meetings are, as I said, essential to resolving issues and raising issues.” -State Official*

*“I think it’s a double-edged sword. I think it is a lot of time, but I think that it also still affords an opportunity to be well-informed and share information.” -PHP Senior Leader*

## PHP Collaboration

PHPs balance cooperation even as competitors

- PHPs work collectively through the NCAHP to address public policy issues, align on practices, and improve program efficiency while avoiding collusion.
- A state respondent noted that PHPs avoid discussions in front of each other due to their competitive nature, preferring individual dialogues.

Collaborative work helps streamline processes

- PHPs have developed standardized forms and processes, such as a unified care needs screening form and standardized handbooks, to reduce administrative burden and improve efficiency.
- This work is coordinated through administrative simplification work groups led by chief medical officers from the five health plans.

*“I think that we all work in good faith to be good partners. I do feel like the PHPs have consistently come to the table and been prepared to collaborate” - PHP Senior Leader*

*“We compete fiercely in some ways, but we really do try to work together where appropriate for the betterment of the program, the providers, the state.” PHP Senior Leader*

## Balancing Interests

A certain degree of tension is expected in the relationship between PHPs and the state; PHPs and state work to navigate a natural tension between their different interests as plans and purchaser using strategies described throughout. Some examples of diverging interest navigated include:

- PHPs desire more flexibility to act as managed care organizations to achieve program goals, yet the state holds strong oversight to ensure consistency and alignment with Medicaid program goals. For example, how much authority the state has in directing plans’ allocations of their capitated funds.
- Plans desire increased decision power and flexibility to manage care and costs.
- The state wants to maximize provider participation and provider-friendly policies, even when this approach can come at a cost.
- Both state and PHPs describe wanting to keep Medicaid members at the forefront of all implementation and programming efforts within the managed care context, if holding different views on how to achieve this.

*“They want us to take the shackles off them and let them fly and be managed care companies. We don’t want that experience here in North Carolina. So there’s that kinda tension between us.” -State Official*

*“When the providers have an issue or a concern, you know, they raise—they’re not bashful in raising that to the state, and the state errs maybe a little bit on the provider’s side in terms of provider-friendly policies and objectives. Well, you know, the reality is, there’s a cost to that.” -PHP Senior Leader*

*“I think we’re all pulling in the same direction. And again, we may think there are different routes to get there, but we’re all pulling in the same direction.” - NCAHP*

### Suggested Brief Citation

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