



## North Carolina Department of Health and Human Services

Pat McCrory  
Governor

Aldona Z. Wos, M.D.  
Ambassador (Ret.)  
Secretary DHHS

To Whom It May Concern:

The North Carolina Department of Health and Human Services (DHHS) is pleased to issue a Request for Information (RFI) requesting recommendations that will assist the Division of Medical Assistance in improving the efficiency and effectiveness of our state's Medicaid program. As has been widely reported in the news media, the Division has not been managed in a way to use our resources most efficiently. This has not only resulted in a loss to the taxpayers through significant budget shortfalls for several years in a row, but also to patients, providers and other stakeholders in the state's Medicaid program.

Medicaid Director Carol Steckel and I are committed to transforming the operations of the Division of Medical Assistance through innovation and reform. We strongly believe that we must prove to the residents of North Carolina that the program can not only provide high quality access to health care services to our recipients, but also manage the tax dollars entrusted to us in a better, more efficient way. We intend to restore trust in the Division and look forward to a collaborative reform process.

This RFI represents an effort on our part to quickly collect recommendations from any appropriate entity. We encourage bold recommendations. We also encourage recommendations that are both comprehensive in nature or address only one area of service such as long-term care. These recommendations will be evaluated by the Division's leadership and utilized as a platform for future discussions regarding innovation and reform of the state's Medicaid program.

The due date is aggressive, but the importance of our task to the state of North Carolina requires the utmost urgency and innovative thinking. I encourage each of you to come to the table, respond to the RFI and be part of the transformation of the Medicaid program in our state.

Sincerely,

A handwritten signature in cursive script that reads "Aldona Wos, M.D.".

Aldona Wos, M.D.  
Secretary

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**North Carolina Department of Health and Human Services**  
**Division of Medical Assistance**  
**Request for Information**  
**RFI-DMA100-13**  
**February 4, 2013**

**Request for Information**

The North Carolina Department of Health and Human Services (DHHS), Division of Medical Assistance (DMA), is charged with operating the North Carolina Medicaid program which provides health care services for over 1.5 million North Carolinians. The current Medicaid budget is over \$13 billion. Concern over multi-year cost overruns and the need to better manage the budget and improve the quality of care has led DHHS to seek information regarding innovative system and payment reform.

DHHS is interested in receiving information, recommendations and suggested approaches regarding innovative system and payment reforms to the Medicaid program that are based on the following principles:

- Are market-based and utilize NC community-based providers
  - In addition to complying with federal laws and regulations regarding access to services for recipients, DHHS expects respondents to utilize local providers
  - DHHS expects respondents to utilize cutting-edge reimbursement methodologies, incentives and other financial efforts in order to create a system that reimburses for proven and documented results
  - DHHS prefers to receive recommendations and information from respondents familiar with the North Carolina healthcare system and those recommendations and information include approaches that build on the current community care network by enhancing that system's effectiveness and building partnerships with other primary care providers
- Enhance recipients' personal responsibility both for financial participation and health care decisions
  - While this issue has been attempted in a variety of ways DHHS seeks any and all information that encourage recipients to make better choices and improve their health
  - Use of co-pays, deductibles and other allowable financial incentives will be acceptable and encouraged
  - Use of non-health service incentives, such as added services, weight loss program and other ways to encourage and achieve an improved health status of recipients

- Assess optimal level of benefits to appropriately meet the health care needs of Medicaid recipients
- Provide both short term savings for the Medicaid program and provide a sustainable, predictable Medicaid program for the future; respondents should describe how it will create more appropriate care, at lower costs and with better outcomes versus the fee-for-service system over the short, intermediate and long terms.
- Create payment policies that provide incentives to create a system that provides the right level of care at the right location
  - DHHS seeks to build on the development of patient-centered medical homes that encourage recipients to build a long-term relationship with a primary care provider instead of utilizing the emergency department.
  - DHHS seeks approaches in which the CCNC “patient portal” can be expanded beyond its current limitations (accessible only by care providers at present) to provide ED providers and hospital staff information currently available in the portal regarding the tests, prescriptions and services provided to Medicaid patients so that ED care can be better delivered and coordinated with the patient’s past medical history and providers.
- Utilize accepted and verifiable financial measures to evaluate and assess the efficiency of the program
  - While DHHS seeks recommendations and information on the appropriate measures, DHHS proposes utilizing those measures already being used in the Medicare and Medicaid programs to avoid duplication in reporting.
- Utilize accepted and verifiable quality, utilization, customer satisfaction metrics to ensure efficacy and appropriate levels of care and service
  - While DHHS seeks recommendations and information on the appropriate measures, DHHS proposes utilizing those measures already being used in the Medicare and Medicaid programs to avoid duplication in reporting.
- Address the need for coordination between physical health and behavioral health
- May include information that address the full continuum of care, including long term care support and services
- Focus on improving the health of our citizens and lawful residents

- May require either Medicaid State Plan Amendments (SPAs) and/or waivers from Title XIX rules and regulations. DHHS encourages respondents to address how the Medicaid SPA and/or waiver would be phrased in order to enhance US DHHS approval in a rapid time frame.
- DHHS encourages respondents to address the use of North Carolina's Health Information Exchange in order to provide health information to both the provider community and recipients as appropriate

DHHS purposefully provided only an outline of goals for its program in order to receive recommendations, information and suggestions for approaches that are innovative. DHHS seeks information regarding programs that will build a state-of-the-art, sustainable Medicaid program. DHHS asks that respondents think boldly in the submissions. DHHS will consider all recommendations, information and suggestions for approaches including those that utilize the existing Community Care Networks or any other coordinated care proposal.

Entities who submit documentation in response to this RFI may be invited to present their ideas in person to Agency leadership. An in-person presentation by an entity that submits documentation in response to this RFI will not serve as the basis for precluding that entity from responding to any future RFP or RFA regarding system reform.

The responses to this RFI, any follow-up questions and the presentations to the DHHS may be used to design a system of health care for the North Carolina Medicaid program.

### **RFI Response Requirements**

Respondents to this RFI are asked to be thorough but concise. The response to this RFI should include the following:

- The respondent's name, address, place of business address(es), contact information, including representative name and alternative, if available, telephone numbers(s), and e-mail address(es).
- DHHS seeks to solicit recommendations and information from respondents that are North Carolina entities that are licensed providers participating in Medicaid, including provider groups that participate, hospitals, provider networks that are provider owned or provider based. DHHS recognizes that respondents to this RFI may include individuals in other settings such as academia.
- A description of the respondent's business and/or its experience as it relates to the services outline in this RFI. This description should include a narrative explaining past experiences in which the respondent has engaged with other health care payers, health care agencies, health care providers or government agencies in the area of Medicaid, health system design, managed care, long term care programs. The respondent shall indicate any Medicaid experience it has for services similar in nature to those described in this RFI.

- A description of how the respondent's approach will offer advantages or improvements over existing processes. The description should also identify known or potential concerns with or barriers to the approach.

### **Confidential Information**

In accordance with 01 NCAC 05B.1501 the State may maintain confidentiality of certain types of information described in N. C. Gen. Stat. 132-1 *et. seq.* Such information may include trade secrets defined by N.C. Gen. Stat. 66-152 and other information specifically exempted from the Public Records Act pursuant to N.C. Gen. Stat. 132-1.2. Respondent may designate appropriate portions of its response confidential, consistent with and to the extent permitted under the Statutes and Rules set forth above, by marking the pages containing confidential information with boldface type at the top and bottom of each such page stating, “**CONFIDENTIAL**”. By so marking any page, the Respondent warrants that it has formed a good faith opinion, having received such necessary or proper review by counsel and other knowledgeable advisers that the portions marked confidential meet the requirements of the Rules and Statutes set forth above. The State may serve as custodian of Respondent's confidential information and not as an arbiter of claims against Respondent's assertion of confidentiality. If an action is brought pursuant to N.C. Gen. Stat. 132-9 to compel the State to disclose information marked confidential, the Respondent agrees that it will intervene in the action through its counsel and participate in defending the State, including any public official(s) or public employee(s). The Respondent agrees that it shall hold the State and any official(s) and individual(s) harmless from any and all damages, costs, and attorney's fees awarded against the State or official or individual in the action. The State agrees to promptly notify the Respondent in writing of any action seeking to compel the disclosure of Respondent's confidential information. The State shall have the right, at its option and expense, to participate in the defense of the action through its counsel. The State shall have no liability to Respondent with respect to the disclosure of Respondent's confidential information ordered by a court of competent jurisdiction pursuant to N.C. Gen. Stat. 132-9 or other applicable law.

### **Response Submission**

Please note: This is a request for information only and not a request for services.

Respondents to this RFI shall submit one electronic copy of its response. The response shall not exceed twenty one-sided pages in length. The electronic format shall be submitted on CD-ROM. The software used to produce the electronic files must be Microsoft Word 2010 or newer.

The respondent shall also submit one electronic redacted copy of the response suitable for release to the public. Any confidential information should be either redacted or completely removed. The redacted response shall be marked as the “redacted” copy and contain a transmitted letter authorizing release of the redacted version of the response in the event the Agency receives a public record request. We request that all interested parties respond to this RFI by submitting your responses by 2:00 p.m. EST, Friday March 15, 2013.

For responses sent via US Mail, responses should be sent to the following address:

NC Department of Health and Human Services  
Office of Procurement and Contract Services  
Attn: David Womble  
2008 Mail Service Center  
Raleigh, NC 27699-2008

Hand delivered responses, or responses sent other than via US Mail, should be sent to the following address:

NC Department of Health and Human Services  
Office of Procurement and Contract Services  
Hoey Building  
Attn: David Womble  
801 Ruggles Drive  
Raleigh, NC 27603

**IMPORTANT NOTE: Indicate firm name, and RFI-DMA100-13 on the outside of the envelope or package. Faxed or emailed responses will not be accepted.**

### **Respondent Costs**

Respondents are solely responsible for all costs incurred by the respondent in preparing and/or submitting a response to this RFI. Neither the state of North Carolina, DHHS nor DMA shall be responsible for any respondent costs associated with preparing and/or submitting a response to this RFI or any costs associated with presentations if requested.

### **Questions**

Verbal questions will not be accepted. Clarification questions related to this RFI must be emailed to David Womble by 2:00 PM February 14, 2013 at:

Email: [david.womble@dhhs.nc.gov](mailto:david.womble@dhhs.nc.gov)

If applicable, answers to the questions or any other information concerning this RFI will be posted to the IPS Website ([www.ips.state.nc.us](http://www.ips.state.nc.us)) by February 20, 2013 under RFI # 30-DMA100-13.

### **Rights to Submitted Materials**

All responses, inquiries, or correspondence relating to or in reference to this RFI, and all documentation submitted by the various respondents shall become the property of DHHS when received. Ideas, approaches, and options presented by respondents may be used in whole or in part by the State in developing a Request for Proposal (RFP) should DHHS decide to proceed with an RFP. Further, combinations of ideas from various respondents may also become part of a RFP, based on consideration of RFI various submissions and the needs of DHHS, which may differ from respondent's experiences in other places.

### **Obligations of the State**

DHHS may choose to issue an RFP for the development and implementation of innovative system and payment reforms to the Medicaid program. However, this RFI is not a guarantee that an RFP will be issued for some or all of the services about which ideas and approaches are being sought.

If the state does determine that these services are of a benefit to the state an RFP will be issued. Until then all information sent in by respondents for this RFI will remain confidential until after the award of the RFP or until the state makes the decision to not issue an RFP.