

DAVIDSON COUNTY LME/MCO DISENGAGEMENT PLAN

I. PURPOSE

In an effort to improve behavioral health services in our community, Davidson County's Board of Commissioners seeks to realign with Sandhills Center to manage our residents' behavioral health services funded by federal and state dollars, including Medicaid.

On June 22, 2021, the Davidson County Board of County Commissioners voted to adopt a disengagement from Cardinal Innovations and realign with Sandhills Center. Sandhills Center is a Local Management Entity/Managed Care Organization (LME/MCO), which is a governmental entity that manages mental health, intellectual/developmental disability and substance use services for residents in Anson, Guilford, Harnett, Hoke, Lee, Montgomery, Moore, Randolph, and Richmond Counties.

Davidson County's behavioral health services are currently managed by Cardinal Innovations Healthcare. Cardinal Innovations' provision of services has not adequately met the needs of Davidson County residents. Sandhills Center's vision more closely aligns with Davidson County's vision and strategic planning. Davidson County believes this realignment will better serve the community and its needs.

To minimize disruption of the behavioral health system in our county, this "Davidson County LME/MCO Disengagement Plan" has been developed to ensure a smooth and seamless transition for all involved.

Our primary focus is to carry out this process with transparency, commitment to our community, and the involvement of those who will be impacted by the change. This plan primarily outlines the process for the County's disengagement from Cardinal, but it also necessarily includes the process by which engagement will occur between Davidson County, Sandhills Center, and all relevant stakeholders. Sandhills Center has committed to working collaboratively with Davidson County and Cardinal to ensure a smooth transition for all involved. Davidson County has every confidence and expectation that Cardinal will also work collaboratively and cooperatively throughout the transition process.

II. BACKGROUND

North Carolina General Statutes and the North Carolina Administrative Code authorizes and prescribes the process by which a county may seek permission to disengage from one LME/MCO and realign with another.

Cardinal Innovations (or its predecessor Piedmont Behavioral Health) have served as the LME/MCO for Davidson County since the beginning of the LME/MCO system. Since that time, there have been numerous concerns regarding the behavioral health services for Davidson County residents. Over this period, Davidson County along with other community stakeholders have engaged in various meetings and developed various plans to address the concerns about the delivery of behavioral health services. These meetings and plans did not result in lasting improvements.

After much effort to improve delivery of services, on June 22, 2021, the Davidson County Board of County Commissioners voted to officially initiate disengagement from its current LME/MCO, Cardinal Innovations Healthcare, and to realign with Sandhills Center. The resolution is attached and is also on our website at www.DavidsonCountyNC.gov where other information on this process (including this Disengagement Plan) will be posted.

The Manager will immediately prepare and send a Letter of Intent to disengage to the NCDHHS Secretary, the counties in the regional areas of both Cardinal and Sandhills Center, and the Co-Chairs of the Joint Legislative Oversight Committee on Health and Human Services as required by law.

III. RATIONALE

Davidson County is committed to ensuring the best behavioral health system is available to residents in the community. We believe that transitioning to the model of service provision and community engagement operated by Sandhills Center will best accomplish that goal. As we have engaged in analysis and review of the Sandhills Center model of operations, we have concluded that it is one of intentional community engagement at multiple levels within the counties that they serve. Leadership and staff throughout Sandhills Center are engaged in relationships within their communities, actively collaborating with stakeholders, providers, consumers and others to meet the challenges faced.

We believe that Sandhills Center is a better fit for Davidson County because the LME/MCO was designed to serve urban, metropolitan and rural communities such as Anson, Guilford, Harnett, Hoke, Lee, Montgomery, Moore, Randolph, and Richmond counties. Their model of service delivery and design better fits the needs of Davidson County.

Sandhills Center works in collaboration with county government officials and local stakeholders to develop plans to invest their taxpayer-provided funds on mutually developed projects. They provide a transparent accounting of uses of those funds to county leadership and respond to wishes of the county to target the funding to desired projects.

Sandhills Center has an expansive network of behavioral healthcare providers. Some of these providers are located in Davidson County. Davidson County has always desired greater network capacity of service providers and greater levels of choice for county residents.

Davidson County also agrees with Sandhills Center's model of community priorities. Sandhills Center's utilizes its local networks of providers and community partners to effectively and efficiently serve individuals to promote healthier lives and improve the community.

Finally, Davidson County seeks greater transparency and participation in decision making that directly impacts residents needing behavioral health services. Sandhills Center is governed by a Board of Directors responsible for comprehensive planning, budgeting, implementing and monitoring of community-based services to meet the health needs of Medicaid recipients and individuals without insurance in its catchment area. Sandhills Center has demonstrated that it will collaborate with county governments and stakeholders and explore innovative ideas to meet the vast behavioral health needs of Davidson County residents. Realigning with Sandhills Center will provide Davidson County an opportunity to partner with the Sandhills Center Board of Directors to create additional opportunities that will benefit Davidson County residents.

IV. TIMELINE

Disengagement will be effective as soon as reasonable and as permitted by law. A proposed timeline for disengagement is attached hereto and will be published on our website, www.DavidsonCountyNC.gov. While the default effective date of nine (9) months is recognized, Davidson County will seek to disengage and realign sooner to minimize any negative impact on Davidson County consumers. The official disengagement date will ultimately be determined by the Secretary of North Carolina's Department of Health and Human Services (NCDHHS).

To protect our residents in greatest need, disengagement with Cardinal will occur simultaneously with realignment or "engagement" with Sandhills Center. The process will include a minimum of sixty (60) days for the public to review and comment on this Disengagement Plan. Following the comment period and the thirty (30) days of posting such comments, Davidson County intends to have ready for submission the Request to Disengage documentation and will look for approval within the ninety (90) days as outlined in the North Carolina Administrative Code.

V. DISENGAGEMENT

This Disengagement Plan serves as a guide for the first step in the process of transitioning from one LME/MCO to the other. While this plan should not be considered all-inclusive, we have made every effort to identify the areas on which we need to focus and the necessary steps to ensure that the needs of our residents are met. Both Davidson County and Sandhills Center are dedicated to carrying out this plan, as outlined in the following focus areas:

a. Transition Planning

To ensure active and robust community involvement in this transition and to facilitate input and feedback from subject matter experts, the Davidson County Manager will form an LME/MCO Realignment Committee consisting of key County officials and agencies, Sandhills Center, and other appropriate stakeholders. This will include the following, or their representatives, plus others as appointed by the County Manager:

1. Deputy County Manager (or designee)
2. Davidson County DSS Director
3. Davidson County Public Health Director (or designee)
4. Davidson County Attorney (or designee)
5. Davidson County District Court representative
6. Davidson County District Attorney (or designee)
7. Davidson County Sheriff (or designee)
8. Local Consumer and Family Advisory Committees representative
9. Provider representative(s)
10. Wake Forest Baptist HealthCare System representative
11. Novant HealthCare System representative
12. One or more Cardinal executives and directors
13. One or more Sandhills Center executives and directors

This Committee will meet as needed to share information; to schedule listening and education meetings with key stakeholders (providers, consumers, advocates); to consult subject matter experts; and to assist the County and Sandhills Center in whatever tasks are needed to ensure a smooth disengagement and transition.

b. Continuity of Services Plan

Davidson County recognizes the importance of ensuring services for its community are uninterrupted and are provided with high quality, timeliness and a focus on community involvement. Therefore, a separate written Continuity of Services Plan is being developed and will be published after this Disengagement Plan. Sandhills Center has committed to ensure all current providers contracted and in good standing with Cardinal and serving our County will be contracted with Sandhills Center as well, if not already. Likewise, Sandhills Center intends to honor consumer service authorizations, annual plans and other documentation and decisions essential to ensure a smooth transition.

c. Notification of Stakeholders

Davidson County and Sandhills Center will collaborate to notify all stakeholders impacted by this transition. Additionally, a concentrated effort will be made to solicit comments, feedback and suggestions from consumers, advocates, self-advocates, providers, State and Local Consumer and

Family Advisory Committees (CFACs), and all other interested parties. We will use our usual Davidson County established communication methods, primarily our website along with mailings, stakeholder meetings, press releases, and social media messaging. All input is welcome and encouraged.

d. Community Initiatives

Davidson County has ensured that Sandhills Center is committed to becoming ingrained in our community and supporting our current community initiatives involving behavioral health, as it has in its other counties. A list of all current, planned and proposed projects/initiatives will be compiled and agreed upon prior to the transition effective date.

e. Distribution of Real Property Plan

In accordance with State law, a written Distribution of Real Property Plan must be developed during the LME/MCO realignment process. This disengagement involves no real property (land, buildings, etc.) to be distributed, so a Plan stating as much will be posted after this Disengagement Plan.

f. Financial Liabilities

Davidson County affirms that, to its knowledge, it has no outstanding financial liabilities to Cardinal, nor will the County have any within thirty (30) calendar days of the request to disengage. Should Cardinal reasonably disagree, the County will work amicably and promptly with Cardinal to resolve equitably and if unable to do so, defer the matter to the NCDHHS Secretary for resolution. Sandhills Center has agreed to work with the County to ensure its financial liabilities under maintenance of efforts requirements are not increased by realignment.

VI. NEXT STEPS/PUBLIC COMMENT

The law requires Davidson County to seek public comment on this Disengagement Plan. For sixty (60) days from the posting of this Disengagement Plan on our website at www.DavidsonCountyNC.gov, public comment is welcome and encouraged by email to the following address: Realignment@DavidsonCountyNC.gov or by mail to the following address:

ATTN: Davidson County - LME/MCO Realignment
Post Office Box 1067
Lexington, NC 27292

Following this public comment period, the County will post all responses for an additional thirty (30) days. Davidson County will take into consideration feedback received, will review all written plans, and submit a written request to disengage to the Secretary of NCDHHS for approval (details of which are outlined in the NC Administrative Code referenced below).

In keeping with our dedication to transparency, both Davidson County and Sandhills Center commit to keeping the public informed during this process, including public meetings, information and listening sessions with key stakeholders and groups, and more.

VII. AUTHORITY

This Disengagement Plan has been developed in accordance with current state laws and regulations governing a counties' disengagement with an LME/MCO. Specifically, the following were used to create the plan and ensure compliance:

- North Carolina General Statute 122C-115 (a3)
- North Carolina Administrative Code 10A NCAC26C.0701-.0703