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OPERATIONS/READINESS REVIEW OF MECKLINK BEHAVIORAL HEALTHCARE

NORTH CAROLINA
DIVISION OF MEDICAL ASSISTANCE

February 1, 2013

Government Human Services Consulting

MARSH & McLENNAN COMPANIES

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Introduction

Purpose

This report summarizes the findings of the follow-up review to the December 20, 2012 pre-implementation readiness review of MeckLINK Behavioral Healthcare (MeckLINK), a local management entity (LME) in North Carolina that is implementing a prepaid inpatient health plan (PIHP) with a revised target implementation date of March 1, 2013. MeckLINK was selected by the State of North Carolina (State), Department of Health and Human Services (DHHS), as a successful applicant for the Centers for Medicare and Medicaid Services (CMS) Section 1915(b)(c) waiver expansion.

The Division of Medical Assistance (DMA), representatives of the intra-departmental monitoring team (IMT) and Mercer Government Human Services Consulting (Mercer) conducted previous onsite readiness reviews of MeckLINK on August 28, 2012, November 29, 2012 and December 20, 2012. This report details findings from the follow-up review held on January 30, 2013 to assess overall implementation readiness.

Background

LMEs bidding on the PIHP must fully prepare their systems, staff and processes to implement the program, consistent with CMS requirements and State criteria, which is listed in Appendix A. DHHS also requires the implementing LMEs to adopt a set of policies and procedures (P&Ps) developed by Cardinal Innovations Healthcare Solutions (Cardinal Innovations), the first PIHP in North Carolina. Cardinal Innovations, in collaboration with the IMT, has designed effective P&Ps during the past several years. Thus, DHHS wants to ensure statewide consistency of P&Ps while also addressing local needs.

The DHHS DMA contracts with Mercer to assist the IMT in its oversight of the PIHP implementation process. The IMT includes representatives from DMA and the Division of Mental Health, Developmental Disabilities and Substance Abuse Services (MH/DD/SAS). As part of its oversight, the IMT conducts readiness reviews. Mercer provides technical assistance to the IMT on readiness milestones and prepares the readiness review reports.

Statement of Limiting Conditions

The content and analysis of the report contained herein is the property of Mercer and has been prepared and provided for the North Carolina Department of Health and Human Services, Division of Medical Assistance. Mercer has not performed any audit, undertaken any formal due diligence process, nor any other verification of the information provided to it beyond the agreed-upon readiness review steps and accordingly provides no assurance or opinion on the accuracy of any MeckLINK information presented herein. Mercer performed general due diligence to

verify information which seemed to be inconsistent. However, all information collection, based upon the information available and provided at a point in time are subject to unforeseen events. Therefore, findings and recommendations must be interpreted as having a likely range of potential outcomes. In addition, certain other information used in connection with the preparation of this review has been provided by MeckLINK and has not been independently verified. Mercer takes no responsibility for bad, inaccurate, or out-of-date information provided by MeckLINK to support findings and conclusions stated in this report.

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Readiness Status for March 1, 2013 Implementation

Key Findings and Recommendations

The recommendations in the table below were identified during the December 20, 2012 onsite readiness review visit. The table divides the recommendations into those that we view as "non-critical" and "critical." While both critical and non-critical tasks are reflected in the tables below, Mercer understands that DMA considers the "critical" tasks vital for waiver implementation and, as such, must be accomplished before March 1, 2013 in order to help ensure the successful implementation of the waiver program. Mercer recommends that the "non-critical" tasks identified in the report be completed as quickly as feasible.

The purpose of the January 30, 2013 onsite review was for Mercer to opine on whether we believe there to be a "high degree of probability" that MeckLINK can accomplish all "critical" tasks necessary to “go live” on March 1, 2013, as deemed in a manner consistent with previous readiness reviews of LME-MCOs implementing the waiver. Although Mercer cannot predict with certainty future events, based on our observations during the review, MeckLINK has demonstrated significant progress to implement by March 1, 2013 provided that progress continue on the same pace and that all outstanding "critical" tasks be fully resolved prior to March 1, 2013. Accordingly, DMA should consider permitting MeckLINK to continue to prepare for implementation of the waiver program and fully address the critical recommendations identified in this report before March 1, 2013.

The following tables outline key findings and recommendations.

Findings	Recommendations
Customer Services	
• Recommendations from the December 2012 review related to report development and dashboards: – Call volume must be tracked and monitored to adjust staffing during implementation. – A formal report for tracking clinical triage versus other calls should be operational prior to implementation to assist with allocation of staffing resources. – Finalize identification, development, testing and production of customer service management reports. UPDATE January 30, 2013:	• Continue to refine reports and dashboards as needed to optimize value to the functional area and the management team.

Findings	Recommendations
Customer Services	
• A dashboard report is now in production that allows the user to track call volume by month. Volume is delineated by type of call (emergent, urgent, routine and non-threshold [i.e., non-clinical]) to assist in identification of clinical and non-clinical staffing needs. Since January 15, 2013, when MeckLINK began 24/7 call center coverage, after-hours data are now included in the report as well. Data demonstrate an increase in call volume since November, and MeckLINK has been able to handle the increased demand. • Reports by staff member track number of calls (inbound and outbound) and average talk/hold/work time. The report delineates information for clinical and non-clinical staff. • The Cisco call center system continues to produce call center statistics. • There are no outstanding call center management reports or dashboards.	
• Recommendation from the December 2012 review: — MeckLINK should begin 24/7 call center operations as soon as feasible. UPDATE January 30, 2013: • MeckLINK began its 24/7 call center operations on January 15, 2013. After-hours staff is trained, works from home, and consists of licensed clinicians.	• Continue 24/7 call center operations.
• Recommendation from the December 2012 review: — MeckLINK should expedite subcontracts related to support for potential call center overflow. UPDATE January 30, 2013: • MeckLINK reported it has now decided to contract with ProtoCall instead of Partners Behavioral Health Management to handle overflow calls. The contracting process is underway and expected to be finalized in the coming day(s). • MeckLINK-specific materials will then be loaded into the ProtoCall system, which could take a maximum of two weeks to complete. Protocall will provide overflow call information via an email notification system to MeckLINK. Alternatively, the ability to provide this information via flat file is being researched, as this would automatically upload the data into MeckLINK's system.	• The contract with the vendor to handle overflow calls must be in place before waiver implementation and vendor must have access to and be trained on MeckLINK-specific policies and procedures related to call center operations. • DMA noted that MeckLINK must notify DMA in advance of delegating any managed care functions in the future.
• Recommendation from the December 2012 review:	• No recommendations.

Findings	Recommendations
Customer Services	
— MeckLINK should either eliminate the separate complaint line or automatically route these calls to the call center if not answered timely. UPDATE January 30, 2013: • MeckLINK's complaint line has been removed from the website. However, the number is still active and used by members that are familiar with that number. If calls to that number are not answered within 4 rings, they now roll-over to the call center.	
• Recommendations from the December 2012 review: — MeckLINK should ensure that all components of the disaster recovery plan are fully tested prior to waiver implementation. — Because there are multiple options available, the disaster recovery plan should clearly articulate when each option would be activated. UPDATE January 30, 2013: • The disaster recovery plan has been tested with the hospital adjacent to MeckLINK's service center, which currently has an identified role, both during and after business hours. • A monthly "disaster rotation" has been established; call center staff are assigned to be on standby. Disaster bags contain laptop computers with wireless internet and cell phones for the assigned staff to use when the disaster plan is activated. Depending on the situation, call center staff will report to the Charlotte East site, where call center operations will be handled. Calls will be routed to the cell phones while call center staff is in transit (projected by MeckLINK to be no more than 30 minutes). If no electricity is available, or if the delay is longer than 30 minutes, calls will roll over to Protocall until the new call center site is established.	• The disaster recovery plan, with call center management by ProtoCall must be tested once that contract is in place and before waiver implementation.
• **NON-CRITICAL** recommendation from the December 2012 review: — Continue to assess the resources necessary in order to have non-clinicians respond initially to calls. MeckLINK's experience with use of non-licensed clinicians for initial calls had already resulted in an overall decrease in clinician call time and greater efficiency when they reserved licensed clinicians for complex clinical issues. UPDATE January 30, 2013:	• No recommendations.

Findings	Recommendations
Customer Services	
• MeckLINK continues to assess their resource needs to handle incoming calls and reports that this evaluation will continue after waiver implementation.	

Findings	Recommendations
Clinical Care Management/Utilization Review (CM/UR)	
• Recommendation from the December 2012 review: – The supports intensity scale (SIS) assessment schedule is ambitious and should be tracked to assess if an additional evaluator is needed on a temporary basis. UPDATE January 30, 2013: • MeckLINK was assigned 225 SIS assessments to complete. This process began in November. Thirty-seven (37) had been done at the time of the December 20 review; 95 have been completed at this time, which leaves 130 to be completed. MeckLINK has 2 assessors, with each completing 7-8 assessments per week and has hired 2 additional assessors that are currently being trained. MeckLINK estimates that the assessors will be certified by early March and will help complete remaining SIS assessments by the DMA deadline of March 31, 2013.	• MeckLINK is on track for satisfactory completion of SIS assessments and should continue with the current plan and approach.

Findings	Recommendations
Clinical Care Management/Utilization Review (CM/UR)	
• Recommendation from the December 2012 review: — MeckLINK should finalize the identification, development, testing and production of care coordination, and CM/UR management reports. UPDATE January 30, 2013: • The following care coordination (CC) reports are in production or have been tested and are ready for production: — Clinician's report (# and % of cases assigned to each coordinator). — Caseload report (specific cases assigned to each coordinator). — Inpatient census. — Top 100 clients by cost of care (consider adding client ID, diagnosis, start date, provider). — Dashboard of top 25 high cost members (real data) that can be broken out by disability group. • A care coordination overview dashboard is still in development, but a prototype was viewed. It will track the total number of members in care coordination by month by Level I/II/III for mental health/substance abuse as well as total number on the Innovations wait list. • The following care management/utilization review (CM/UR) reports are in production or have been tested and are ready for production: — Staff Authorizations/Denial report. — Treatment Plan report. — Provider Discharge report. • Numerous dashboards are still in development or testing, including: — SAR dashboard (viewed prototype, in testing). — High cost members. — Number of admissions by month. — Inpatient bed days. — Emergency Department Utilization. — Call disposition % Compliance. — Readmissions. — Appeals. — Average Length of Stay.	• Complete dashboard development prior to waiver implementation. • Utility of critical care coordination and CM/UR management reports can be enhanced by ensuring that the reports utilize statistical tools (trend lines, standard deviation) to facilitate the consistent identification of data outliers and include performance thresholds or goals as applicable.

Findings	Recommendations
Clinical Care Management/Utilization Review (CM/UR)	
• Recommendation from the December 2012 review: — MeckLINK should track providers that have completed training and provide outreach to untrained providers in order to prevent any disruption in service to members or confusion about authorization and payment. UPDATE January 30, 2013: • While all contracted providers have not yet been trained on Alpha, tracking providers that have completed the training is in place, and extensive outreach has occurred with providers that have not yet been trained to emphasize the need for this training. • Of the 169 agencies that have been credentialed, contracted, and entered into Alpha, 163 (96.4%) have completed the Alpha MCS training. • Of the 65 group practices that have been credentialed, contracted, and entered into Alpha, 55 (84.6%) have completed the Alpha MCS training. • Of the 115 Licensed Independent practitioners (LIPs) that have been credentialed, contracted, and entered into Alpha, 98 (85.2%) have completed the Alpha MCS training. • In total, of the 349 contracted providers, 316 (90.5%) have completed the Alpha training.	• Continue outreach and offer providers numerous training opportunities.

Findings	Recommendations
Clinical Care Management/Utilization Review (CM/UR)	
• Recommendation from the December 2012 review: – MeckLINK should complete testing and prepare for the volume of authorizations from ValueOptions (VO) that will need to be inputted into Alpha MCS in order to prevent potential interruptions in care. UPDATE January 30, 2013: • MeckLINK will obtain updated data from ValueOptions by February 1, 2013. The data will be sorted by service and authorization begin and end date to ascertain how many new authorization requests can be expected on March 1, 2013. VO will authorize services through February 28, 2013 and forward any requests after that to MeckLINK. MeckLINK has been testing sample authorizations. Based on analysis of the current data from VO, MeckLINK estimates they will need to input data for approximately 3,000 individuals. The current staffing appears to be adequate to complete the data input process. • MeckLINK is proactively reviewing VO authorizations for potential eligibility for care coordination based on the member profile. Care coordinators then look further to determine if care coordination is needed. MeckLINK will continue this process during February and will assess staffing needs/resources as needed.	• No recommendations.

Findings	Recommendations
Network Operations/Provider Relations	
• Recommendations from the December 2012 review: — Complete provider credentialing, contracting and loading of data into the client information system to support the authorization of covered services and claims processing. — Weekly tracking of hospital contract status, as there were no fully executed hospital contracts yet in place. UPDATE January 30, 2013: • As of January 30, 91% of the planned provider network is fully credentialed with contracts executed. — LIPs: 130 targeted; 115 LIPs applied for enrollment; all 115 have been credentialed, entered into Alpha, and have fully executed contracts in place. There are 205 consumers that have been receiving services from the 15 LIPs that were targeted but have not initiated contracts. MeckLINK will follow-up with these consumers mid-February to ensure transition in place if needed. — Agencies: 166 targeted, 169 applied for enrollment; 169 have been credentialed, entered into Alpha, and have fully executed contracts in place. — Group practices: 79 targeted; 65 applied for enrollment; all 65 have been credentialed, entered into Alpha, and have fully executed contracts in place. There are 131 consumers that have been receiving services from the 14 group practices that have not initiated contracts. In addition to providing information to the group practices about consumer transitions, MeckLINK will follow-up with these consumers directly mid-February to ensure transitions plans are in place if needed.	• Continue with current plans and approach. Follow up with providers and consumers to assure transition needs are addressed when necessary.

Findings	Recommendations
Network Operations/Provider Relations	
• Hospitals: 20 inpatient facilities targeted (totaling 12 contracts); all have been credentialed and their data entered into Alpha; 7 contracts have been signed and returned; 5 contracts (with hospitals serving between 1-27 consumers/year) are outstanding, as is a contract with Carolinas Healthcare System (CHS); CHS is the primary inpatient facility currently utilized; while contract negotiations have been underway, it was reported during the onsite review that CHS has stated it is waiting to see if MeckLINK gets approval to move forward with PIHP implementation before signing the contract. MeckLINK is contacting other hospitals to assess additional inpatient options in the event current contract negotiations with CHS are not successful.	
• Recommendation from the December 2012 review: — Complete hiring and training of network operations staff. UPDATE January 30, 2013: • It was reported that one monitoring specialist remains vacant and a Senior Provider Relations Specialist position is on hold.	• Continue with hiring efforts; the current vacancies are not considered critical to fill prior to implementation.
• Recommendation from the December 2012 review: — Finalize identification, development, testing, and production of network operation's management reports. UPDATE January 30, 2013: • The following provider network reports are in production or have been tested and are ready for production: — Services rendered out of network. — Medicaid Listing of Contract Providers for Accessibility and Capacity Studies. — Master Director's Contact List. — Active Providers and Linked Clinicians. — Providers by Disability Group. — Provider Contract Summary. — Provider Payments by Insurer. — Provider Assignment by Staff. • The high cost provider dashboard is still in development.	• Complete dashboard development prior to waiver implementation. • Utility of critical network operations management reports should be enhanced by ensuring that the reports utilize statistical tools (trend lines, standard deviation) to facilitate the consistent identification of data outliers and include performance thresholds or goals as applicable.

Findings	Recommendations
Quality Assurance and Quality Improvement (QI)	
• Recommendations from the December 2012 review: — Complete hiring and training of QM staff. — (**NON-CRITICAL** recommendation): MeckLINK should reassess the QM staffing during the next several months to determine its adequacy. If the current hiring phase identifies potential applicants, at least one additional full-time employee (FTE) could be hired immediately to assist with data management and reporting. UPDATE January 30, 2013: • The appeals coordinator and two quality analysts have accepted employment offers. However, due to the recent uncertainly with MeckLINK's implementation approval, a hiring freeze was initiated by the County and it was decided that the candidates should stay in their current positions until further clarity is received about MeckLINK's status in moving forward with waiver implementation. • In addition to these three positions, it was noted on an organization chart that MeckLINK will plan to add several additional quality improvement staff, and will proceed with interviews once MeckLINK's approval status is conveyed. These positions include: Accreditation/Compliance Manager, Accreditation Coordinator, Management Analyst, Clinical Supervisor, a Clinical Reviewer (I/DD), and possibly a Clinical Reviewer (MH/SA).	• Hire the appeals coordinator and two Quality Improvement Analysts as soon as feasible.

Findings	Recommendations
Financial Management/Monitoring	
• From the December 2012 review, a **NON-CRITICAL** recommendation included: — Establish a plan of the critical functions necessary to transition to a managed care organization, including finalizing the chart of accounts and prioritizing the development and testing of critical financial reports and controls in light of the hiring of the chief financial officer in December 2012.	• No recommendations.

Findings	Recommendations
Financial Management/Monitoring	
• From the December 2012 review, a **NON-CRITICAL** recommendation included: — Establish the program integrity department by: − Finalizing the contract for the program integrity staff. − Developing P&Ps. − Setting up a dedicated telephone line and web application for reporting fraud and abuse. − Posting the fraud and abuse contact information on the website. UPDATE January 30, 2013: • It was reported MeckLINK signed a contract for software but has not developed procedures or tested the software or reports yet.	• Program Integrity P&Ps should be produced that include guidelines for identifying claims and providers for review as well as procedures for submitting non-compliant claims and reporting providers to the State.
• Recommendation from the December 2012 review: — Accounting and claims staff need to develop an operational process that will provide accurate tracking of a refund check received from the provider from the Advantage system to the AlphaMCS system, data reporting sources and the 835 remittance transaction. UPDATE January 30, 2013: • The plan's P&P entitled (FINCLM-13) *Provider Paybacks* does not address the processing of a refund check. The plan did verbally identify the process for applying a refund check to both the claims system and the general ledger ensuring consistency between the systems.	• Procedures for processing refund claim checks should be added to the P&P.

Findings	Recommendations
Financial Management/Monitoring	
• Recommendation from the December 2012 review: — Finalize P&Ps and gain executive approval for all policies related to Medicaid and the waiver program. Clearly identify the owner of the procedures and date of implementation. Separation of policies from procedures may be necessary since there are several redundant policies, and other policies can be combined. Policies with multiple methods of implementation may point to more than one procedure. Procedures should be more detailed and reference reports used for controls and reconciliations. • P&Ps had not been finalized for many processes specific to Medicaid. These included, but were not limited to: — Payments for out-of-network providers including sending of paper remittance advice. — Risk reserve fund. — Third party liability. — Fraud and abuse. — Reconciliation of advance payments, including Rubicon settlements. UPDATE January 30, 2013: • As of January 30, 2013, P&Ps were completed for all of the above except for Fraud and Abuse. However, some procedures were ambiguous or incomplete.	• MeckLINK should clearly separate Policies, which should only change with executive approval, from Procedures, which may change with innovations of technology or processes. Procedures should address any scenario that would change the process. Where more detail is available, Procedures should refer to desk procedures and/or control reports.
• Recommendations from the December 2012 review for the Incurred But Not Recorded (IBNR) accrual process: — MeckLINK needs to refine estimates for loss ratio calculations to incorporate historical data as it becomes available. This may include the use of prior authorizations, historical claims information provided by the State, claims information from AlphaMCS such as the claims lag report, etc. UPDATE January 30, 2013: • Steps were added to incorporate paid claims experience to adjust loss ratios appropriately.	• No recommendations.

Findings	Recommendations
Financial Management/Monitoring	
• Recommendation from the December 2012 review: — MeckLINK needs to implement processes to reconcile all data including financial information, across all data sources including AlphaMCS, Advantage, the data warehouse and all other report sources (e.g., data cubes). Reconciliation processes must be thoroughly tested and documented to include control total checks such as record counts, dollar amounts and other fields as determined necessary. Currently, certain procedures will create discrepancies across systems and reports (i.e., not sending all processed claims from AlphaMCS to Advantage). UPDATE January 30, 2013: • As of the January review, procedures were identified to reconcile Alpha to the data warehouse and from Alpha to Advantage. Reconciliations occur weekly on each check write cycle batch and monthly on all transactions for the month to ensure completeness of data.	• No recommendations.
• At the December 2012 review, a **NON-CRITICAL** recommendation was to establish a risk reserve fund, as required by the State, along with finalizing appropriate P&P documentation for maintaining the required balance. UPDATE January 30, 2013: • The risk reserve fund required by the State was established, and the account set up with North Carolina Cash Management Trust to administer investments. A policy for maintenance has been drafted.	• No recommendations.

Findings	Recommendations
Financial Management/Monitoring	
• Recommendations from the December 2012 review: — MeckLINK needs to develop detailed procedures and processes which reconcile membership and capitation. Processes need to identify and report all discrepancies and incorporate resolution procedures for any mismatched data. UPDATE January 30, 2013: • MeckLINK presented two separate polices for reconciling membership. The first, FIN-12, identifies reconciliation of the 834 file to AlphaMCS, and includes procedures to generate a 270 request to DMA to check the Global Eligibility File, and to process the returning 271 response from DMA. The first 271 file was returned to MeckLINK on 1/29/2013 and submitted to AlphaMCS for processing. The second P&P, FIN-14, lists procedures for reconciling the 834 eligibility file to 820 capitation file and procedures for generating the appropriate journal entry for payables and receivables for identified variances.	• No recommendations.

Findings	Recommendations
Claims and Information Technology (IT)	
• Recommendation from the December 2012 review: — Thorough testing of the AlphaMCS system needs to continue to verify the system is set-up accurately for proper edit application and claims payment. This includes scenarios for each system edit, claim appeals/adjustments, coordination of benefits, inpatient, emergency department, out of network providers, etc. UPDATE January 30, 2013: • While the plan made significant progress in testing, more testing is necessary.	• Data validation for provider configuration, claims adjudication and financial interfaces needs to be completed prior to waiver implementation.

Findings	Recommendations
Claims and Information Technology (IT)	
• Recommendation from the December 2012 review: — AlphaMCS needs to address system performance issues. Given the amount of acceptance testing and user training that needs to occur any system performance issues that are not addressed could pose a risk to meet key milestone and delivery dates. UPDATE January 30, 2013: • MeckLINK staff was able to demonstrate speed and proficiency during the on-site.	• No recommendations.
• Recommendation from the December 2012 review: — MeckLINK needs to maintain dates and percent complete information in order to monitor project progress effectively. Recommend that a revised date be added that can be used to append a new date to any missed milestone. Project plans contain inaccuracies. UPDATE January 30, 2013: • MeckLINK will continue to use, update and refine project plans through implementation.	• No recommendations.
• Recommendation from the December 2012 review: — MeckLINK needs to complete all analysis for critical project tasks that are needed prior to go-live. This information will ensure appropriate resource alignment and allow leadership to monitor progress effectively. UPDATE January 30, 2013: • Updated project scope and analysis were reviewed and deemed appropriate.	• No recommendations.
• Recommendation from the December 2012 review: — MeckLINK needs to expand their testing to include all aspects of system configuration. The plan needs to develop a method for performing volume testing and verification and must complete this testing prior to go-live. UPDATE January 30, 2013: • MeckLINK has performed outreach to all providers and training in multiple formats. Training efforts will reportedly continue past go-live on an as-needed basis.	• No recommendations.

Findings	Recommendations
Claims and Information Technology (IT)	
• Recommendation from the December 2012 review: — MeckLINK needs to establish processes which log, track and reconcile claims received by the organization, including paper and electronic data interchange (EDI) formats, to ensure all claims are accounted for. These processes should be used to confirm timely payments to providers as well as confirming all claims that are received are available in corporate reporting data sources. • MeckLINK identified logs for tracking paper claims, in excel, batch totals for EDI formats, and volume control tests to ensure all claims were accounted for.	• Fully test and validate timely filing reports against logs for each format to ensure all claims are accounted for.
• Recommendation from the December 2012 review: — MeckLINK needs to establish a detailed implementation strategy for all providers that will be submitting 837 batch claim files. UPDATE January 30, 2013: • Processes have been established for providers to test and receive 837 validation and certification prior to submitting claims to MeckLINK. Certification efforts will reportedly continue beyond go-live.	• No recommendations.
• Recommendation from the December 2012 review: — Complete the Health Insurance Portability and Accountability Act (HIPAA) review to ensure data security and privacy training is complete. UPDATE January 30, 2013: • The HIPAA review to ensure data security and privacy training was complete. Annual compliance training for each employee was mandated by the Compliance committee.	• No recommendations.

Findings	Recommendations
Reporting	
• Recommendation from the December 2012 review: — Testing needs to continue and include complete validation of the data along with the report's ability to meet the user's needs. Different reports of the same data must be able to report the same information (i.e., provider versus procedure codes). Ensure these reports provide MeckLINK the ability to operate as a PIHP at "go-live". This includes identification of key financial and clinical reports to identify areas of concern. The management team should discuss the reports to direct change and ensure continued fiscal solvency of the PIHP. UPDATE January 30, 2013: • All critical reports have been developed. Ongoing programming efforts, as outlined by business requirements, will reportedly continue beyond waiver implementation.	• No recommendations.
• Recommendation from the December 2012 review: — State required reporting needs to be developed, tested and completed including program integrity and high cost/high risk reports. Testing of these reports needs to include complete validation of the data. Reporting on data from different sources (Advantage, AlphaMCS, data warehouse, reporting server) must be able to report the same end results (i.e., totals). Specifically need to ensure the ability to accurately produce reports by category of aid out of the various sources that agree overall to the summary level in the Advantage system. UPDATE January 30, 2013: • MeckLINK demonstrated the ability to report by funding source and by category of aid, but the finance reports were still not complete or tested.	• State required reporting must be developed, tested and completed. Reporting on data from different sources (Advantage, AlphaMCS, data warehouse, reporting server) must be able to report the same end results (i.e., totals). Specifically, MeckLINK needs to ensure the ability to accurately produce reports by category of aid out of the various sources that agree overall to the summary level in the Advantage system.
• Recommendation from the December 2012 review: — Financial reporting developed by the IT department must be tested to validate the results and ensure the reports are providing the expected information. UPDATE January 30, 2013: • Collaboration between finance and IT was demonstrated. Priority was given to some financial reports – the income statement and balance sheet, and the detail required by schedule W. Remaining state-required reports were not complete or available.	• Remaining undeveloped reports must be prioritized and completed, and data validated by the finance department. State required reports must be developed and tested prior to the first due date. Some reports are required monthly.

Findings	Recommendations
Reporting	
• Recommendation from the December 2012 review: — Report scheduling should be set up so that efficiency can be gained after go-live for staff to have necessary reports available upon arrival at work. UPDATE January 30, 2013: • A report scheduling tool has been implemented.	• Continue to incorporate any new regular reports as they are developed into the scheduling tool.
• Recommendation from the December 2012 review: — Financial dashboards need to be developed, tested and completed. Dashboards will provide immediate drill down capabilities in the reports and provide valuable information with which to oversee the results of the plan. UPDATE January 30, 2013: • While some dashboards have been completed, most dashboards have not. None of the finance dashboards have been completed at this time.	• In addition to developing and testing dashboards prior to waiver implementation, MeckLINK should develop guidelines for utilization of these dashboards to determine appropriate management intervention.
• Recommendation from the December 2012 review: — Train appropriate departmental staff on how to access and run reports to manage business operations. UPDATE January 30, 2013: • When dashboards were complete, appropriate staff were able to display reports with some degree of understanding how to create and utilize the reports.	• As dashboards are completed, staff should be trained how to run, read, and utilize the reports for their intended purpose.

APPENDIX A

LME PIHP Criteria

1. A proven track record with demonstrated success in operating as a LME, as defined in North Carolina General Statues §122C-116.

2. Demonstrated capacity to operate a managed care program, as exemplified by:

   - Financial and risk management resources to ensure that liquidity and solvency requirements are met.

   - Flexible financial analysis and monitoring tools to identify service utilization and costs in a timely manner.

   - The ability to grow equity and capital resources while providing extended behavioral health benefits to State and county populations.

   - The ability to identify third party resources to ensure that Medicaid is the payer of last resort.

   - Effective fraud and abuse policies and detection mechanisms.

   - A cohesive management structure that meets the requirements to contract with the State.

   - A flexible, responsive customer services approach that is highly ingrained in the organization and that promotes 24-hour access to services.

   - Access to industry standard tools, technology and expertise in MH/DD/SAS.

   - A CM/UR program that is person-centered, emphasizes the principles of recovery, resilience and self-determination and relies on state-of-the-art utilization management protocols and clinical practice guidelines.

   - A well-developed QM program that has sufficient clinical and technical leadership and data management capabilities to monitor and improve access, quality and efficiency of care.

   - A provider network management program that facilitates the development, support and monitoring of network providers for the delivery of MH, DD and SAS provided to children, youth, families and adults.

- Experience and demonstrated success in implementing program innovations that result in improved administrative and clinical outcomes, such as increased access to care by traditionally underserved populations of all ages, improved community tenure, MH/DD/SAS-physical health integration and integrated assessment and service delivery for both co-occurring mental illness and substance use disorders and co-occurring mental illness and DD.

- Human resource and management support necessary to effectively recruit and retain clinical and administrative qualified professional staff.

- A solvent and financially viable organization that has sufficient financial and administrative resources to implement and operate managed care functions specified in the request for application (RFA).

- An automated management information system that is capable of performing all the activity, interfacing and reporting requirements (utilizing EDI) using HIPAA transactions.

3. Demonstrated capacity and a proven approach to managing systems of care that:

   - Rely on innovative approaches to address the diversity and cultures of the population served including, at a minimum, contracts with culturally competent providers.

   - Identify and implement the preferences of individuals and families in the design of services and supports through development and utilization of person-centered planning.

   - Facilitate the development of consumer-operated programs and use of peer support, including consumer/family team approaches.

   - Facilitate the development and utilization of natural supports.

   - Facilitate the use of self-management and relapse prevention skills, support stable housing and address the development and maintenance of healthy social networks and skills, employment, school performance or retirement activities.

4. Demonstrated capacity to implement the requirements specified in this RFA through a well-designed and detailed implementation plan that clearly articulates tasks, timeframes and expected results.

APPENDIX B

MeckLINK Plan of Development

The tasks below are considered vital for MeckLINK to address to successfully implement the waiver. Each task must be accomplished before the go-live date in order to help assure a smooth transition as a PIHP.

MeckLINK Plan of Development
Customer Services • The contract with the vendor to handle overflow calls must be in place before waiver implementation and vendor must have access to and be trained on MeckLINK-specific policies and procedures related to call center operations. • DMA noted that MeckLINK must notify DMA in advance of delegating any managed care functions in the future. • The disaster recovery plan, with call center management by ProtoCall must be tested once that contract is in place and before waiver implementation.
Clinical CM/UR • Complete dashboard development prior to waiver implementation.
Network Operations/Provider Relations • Complete dashboard development prior to waiver implementation.
Quality Assurance and QI • No recommendations.
Financial Management/Monitoring • Procedures for processing refund claim checks should be added to the P&P. • MeckLINK should clearly separate Policies, which should only change with executive approval, from Procedures, which may change with innovations of technology or processes. Procedures should address any scenario that would change the process. Where more detail is available, Procedures should refer to desk procedures and/or control reports.
Claims and IT • Data validation for provider configuration, claims adjudication and financial interfaces needs to be completed prior to waiver implementation. • Fully test and validate timely filing reports against logs for each format to ensure all claims are accounted for.
Reporting • State required reporting must be developed, tested and completed. Reporting on data from different sources (Advantage, AlphaMCS, data warehouse, reporting server) must be able to report the same end results (i.e., totals). Specifically, MeckLINK needs to ensure the ability to accurately produce reports by category of aid out of the various sources that agree overall to the summary level in the Advantage system.

MeckLINK Plan of Development
• Remaining undeveloped reports must be prioritized and completed, and data validated by the finance department. State required reports must be developed and tested prior to the first due date. Some reports are required monthly. • In addition to developing and testing dashboards prior to waiver implementation, MeckLINK should develop guidelines for utilization of these dashboards to determine appropriate management intervention. • As dashboards are completed, staff should be trained how to run, read, and utilize the reports for their intended purpose.

The tasks below are important operational issues, but not considered as essential and critical for successful implementation of the waiver. The tasks below should be completed as soon as practical following the implementation of the waiver.

MeckLINK Plan of Development
Customer Services
• Continue to refine reports and dashboards as needed to optimize value to the functional area and the management team. • Continue 24/7 call center operations.
Clinical CM/UR
• MeckLINK is on track for satisfactory completion of SIS assessments and should continue with the current plan and approach. • Utility of critical care coordination and CM/UR management reports can be enhanced by ensuring that the reports utilize statistical tools (trend lines, standard deviation) to facilitate the consistent identification of data outliers and include performance thresholds or goals as applicable. • Continue outreach and offer providers numerous training opportunities.
Network Operations/Provider Relations
• Continue with current plans and approach. Follow up with providers and consumers to assure transition needs are addressed when necessary. • Continue with hiring efforts; the current vacancies are not considered critical to fill prior to implementation. • Utility of critical network operations management reports should be enhanced by ensuring that the reports utilize statistical tools (trend lines, standard deviation) to facilitate the consistent identification of data outliers and include performance thresholds or goals as applicable.
Quality Assurance and QI
• Hire the appeals coordinator and two Quality Improvement Analysts as soon as feasible.
Financial Management/Monitoring
• Program Integrity P&Ps should be produced that include guidelines for identifying claims and providers for review as well as procedures for submitting non-compliant claims and reporting providers to the State.
Claims and IT
• No recommendations.
Reporting
• Continue to incorporate any new regular reports as they are developed into the scheduling tool.

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