

**ORANGE COUNTY
BOARD OF COMMISSIONERS**

ACTION AGENDA ITEM ABSTRACT

Meeting Date: November 5, 2020

**Action Agenda
Item No. 6-e**

SUBJECT: Initiating the Process to Disengage from Cardinal Innovations Healthcare and to Seek Realignment with Alliance Health

DEPARTMENT: County Manager's Office

ATTACHMENT(S):

1. Administrative Rules Governing Disengagement
2. Tailored Plan Preference Letter

INFORMATION CONTACT:

Travis Myren, Deputy County Manager
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PURPOSE: To authorize the County Manager to initiate the formal disengagement process from the County's current Local Management Entity-Managed Care Organization, Cardinal Innovations Healthcare, and to seek realignment with Alliance Health to administer mental and behavioral health services for Orange County residents.

BACKGROUND: Local Management Entities – Managed Care Organizations (LME-MCOs) are public managed care organizations that administer behavioral health services for residents in need of mental health, developmental disability, or substance use services. The State of North Carolina is currently served by seven different LME-MCOs divided into regions. Cardinal Innovations Healthcare currently serves Alamance, Cabarrus, Caswell, Chatham, Davidson, Davie, Forsyth, Franklin, Granville, Halifax, Mecklenburg, Orange, Rockingham, Person, Rowan, Stanly, Stokes, Union, Vance and Warren counties. Alliance Health currently serves Cumberland, Durham, Johnston, and Wake counties.

North Carolina General Statutes and the North Carolina Administrative Code authorize and prescribe the process through which a County may seek permission to disengage from one LME-MCO and realign with another. The final decision making authority rests with the Secretary of the Department of Health and Human Services. The applicable administrative code is attached as *Attachment 1*.

The first step in initiating disengagement is providing written notice of the County's intent to disengage to the Secretary of Health and Human Services, the Co-Chairs of the Joint Legislative Oversight Committee on Health and Human Services, and the affected counties a minimum of nine months prior to the proposed effective date of disengagement. This abstract would authorize the County Manager to send the disengagement notice letter and begin the formal disengagement process.