

Solicitation of Public Input Regarding the Implementation of a New Specialty Managed Care Plan for Certain Children and Youth Populations

Introduction

The Nevada Division of Health Care Financing and Policy (the Division) is soliciting informational responses from health care providers, recipients, managed care organizations (MCOs), and other interested parties to inform the State's development of a Specialty Managed Care Plan (SMCP) to support the delivery of Medicaid covered services to children with behavioral health needs as further described herein.

Please email your responses to ChildrensBH@dhcfp.nv.gov **no later than 11:59pm PST on Friday, May 23rd, 2025**. Any responses received after this deadline will not be considered for purposes of the procurement development.

Background

The State of Nevada recently reached a five-year [Settlement Agreement](#) with the U.S. Department of Justice (DOJ), following a two-year [investigation](#) that identified the urgent need for the state to expand state-funded community-based services for children who have behavioral health disabilities and reduce reliance on institutional and congregate care. This includes the expansion of certain community-based services and new investments in Medicaid reimbursement for qualified providers.

The DOJ found that Nevada's Medicaid State Plan includes many of the necessary services for an effective community-based service system, but that the state must:

- Expand service availability by supporting and managing the state's provider network to increase quality and access to care
- Assess children and divert them to community-based services to avoid institutional care where possible, and
- Engage children who are in residential facilities in discharge planning to facilitate their safe return home quickly and successfully.

Per this agreement, Nevada must implement a Specialty Managed Care Plan (SMCP) for Medicaid-eligible children with behavioral health needs. The intent is for this new managed care program to be a single, statewide plan that integrates both medical and behavioral health services for eligible children. The Division aims to make this new delivery system available to children and families no later than January 1, 2027.

Mandatory eligibility groups will include children and youth ages 0-21 who meet at least one of the following criteria:

1. Have a Serious Emotional Disturbance (SED) designation or Serious Mental Illness (SMI) diagnosis.
2. Are involved with the foster care system.
3. Have SED/SMI and either (1) an intellectual and/or a developmental disability or (b) a substance use disorder as a co-occurring condition/disorder.

4. Are determined to be at high risk of developing SED or SMI based on a variety of factors.

To inform the scope of work for a vendor to operate as a SMCP, the Division seeks input from stakeholders on various components of a specialty managed care system as described below. This includes the development of a SMCP delivery system and coverage models that consist of wraparound services, respite care, peer supports, and intensive in-home supports for children, youth, and young adults involved with multiple systems (child welfare, juvenile justice, special education) or specifically focused on children with, or at risk of, significant behavioral health needs.

For more information on Nevada's children's behavioral health transformation efforts, please see <https://dhcfnv.gov/kidsBH/kidshome/> and refer to summary in appendix regarding the current services and systems in Nevada for this child population.

Request for Public Input & Comment:

The Division requests public comment and feedback on targeted areas of the development and operation of the SMCP to inform the state's upcoming procurement and scope of work for these Medicaid-covered services.

Please note: This is only a solicitation for public comment; no award will be made because of this solicitation. This is solely for information and planning purposes and does not constitute a request for proposal or an invitation to bid.

All responses will be considered public records under state law and may be available upon a public records request made pursuant to the requirements of State law. Please also note the required page limits and that staff may not review information provided beyond these limits.

The following items under consideration include the following:

- 1. Targeted Case Management:** Historically, Nevada has used a bifurcated approach to providing targeted case management services for children in the foster care system. For example, in Washoe and Clark Counties, case management services for the foster care population are administered at the local-county level with reimbursement from Nevada Medicaid. In the remaining rural counties, the Nevada Division of Children & Family Services (DCFS) provides case management services for the foster care population and also receives Medicaid reimbursement for rendering these services.

To implement a new SMCP structure, the financing of case management services must be implemented in a manner that avoids duplicative payments for these services through Medicaid. SMCPs are required by federal law to provide case management, which is considered as administrative expenditures and paid for through their monthly capitation payments from the state. Nevada Medicaid cannot pay both the SMCP and local government for the same services to the same individuals.

To ensure the stability of the current case management system, the Division is considering several approaches to the administration and financing of case management through Medicaid and the new SMCP. This includes a hybrid model similar to the one used by Washington State,

where it allowed for one of its largest counties to choose to maintain the case management provider role, as long as it contracted with the managed care plan similar to a network provider to render these services on behalf of the SMCP. In this case the state paid the SMCP as required by federal law for case management and the SMCP paid the county entity for the services similar to a network provider per an agreed upon amount.

The Division is seeking feedback on this model and any best practices or lessons learned from similar approaches to integrating a SMCP (or managed care model) into a locally administered case management service model in a manner that continues to support (if not improve or strengthen) the local administration of these services if that is desired outcome by the locality. The goal is to bolster the current system for these services, not supplant them unless the current case management entity prefers that the SMPC take on the case management role.

Please limit feedback to no more than 1-2 pages for this item.

- 2. Care Management Approach:** The Division seeks information on recommended best practices for care management and feedback on the best approach to ensuring quality care management services are available statewide for this child population with the implementation of a new SMCP.

For example, one approach would be for the Division to require the SMCP to provide the care management services whether that be through the SMCP entity itself, or through a subcontract with another entity for statewide services or a number of other entities for services, regionally.

A second option is for the Division to conduct a separate procurement to select a handful of preferred vendors that would serve as Care Management Entities (CMEs) for this population. The SMCP would be required to contract with one or more of these CMEs as network providers for care management services to ensure statewide access for enrolled children and families.

A CME is a centralized hub that coordinates all care for children and their families, where the child has complex behavioral health challenges and is involved in multiple systems. A CME can also be responsible for providing intensive care coordination; connecting families to home and community-based care and peer support services as alternatives to high-cost residential or inpatient care; and ensuring that the treatment plan is child- and family-driven.

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- 3. Benefit Set:** Currently, the Division is working to implement the SMCP delivery system using a best practice model that provides for an integrated benefit set of medical care, including basic and hospital services, pharmacy and transportation, among others, and behavioral health services into one coverage product or plan for the child. The goal is to ensure that the “whole-child” approach to care is achievable and to remove any unintended silos in current systems where home or community-based services are managed separately from the medical benefits in Medicaid.

The Division seeks feedback on this approach and any best practices or lessons learned about implementing an integrated benefit set for this population. The Division also seeks input on the types of value-added benefits (outside of the Medicaid-covered benefits) that would be most

valuable to supporting the care and needs of this child population and their families and/or caregivers.

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4. **Provider Network:** Nevada's behavioral health care continuum requires expansion and ongoing development. Many behavioral health providers do not participate in the Medicaid program and there are significant service gaps, including for in-home services, inpatient mental health, peer support, treatment for children and youth with IDD/autism and behavioral health needs, residential treatment (leading to out-of-state placements), and respite care. The state is also heavily impacted by the national crises of youth behavioral health needs and behavioral health workforce shortages.

The Division seeks feedback on any approaches that it should consider for building, maintaining, and training a high-quality behavioral health workforce serving youth through the development of a new SMCP, including approaches that have been successful in other states. This includes any requirements for billing support and training through the SMCP, provider reimbursement models or structures, successful utilization management approaches, or value-based payment designs that support the growth and development of the provider infrastructure and reward high performing providers for quality and outcomes.

The Division also seeks specific feedback on the pros and cons of requiring the SMCP to honor Nevada Medicaid's current fee schedule for reimbursement to network providers that deliver critical behavioral health services. In other words, the Division is considering whether it should require the SMCP to pay, at a minimum, no lower than the state's current Medicaid fee schedule to qualified providers for the delivery of behavioral health services to this child population.

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5. **Collaboration with Child Welfare, Courts, Counties, Schools, and Other Child-Serving Entities:** Nevada Medicaid seeks to align efforts across multiple divisions and systems responsible for children and youth who are in foster care or have behavioral health needs. Shared systems, technologies, and processes are needed for children served by multiple state and local agencies, including child welfare, court systems, juvenile justice, and/or school systems, among others. Standardizing and streamlining efforts and sharing of data and information will require strong collaboration and a SMCP vendor that is willing to partner and problem-solve with all stakeholders to identify and overcome roadblocks and address gaps.

The Division seeks feedback and input on any requirements and/or best practices that it should consider for the SMCP to ensure cross-sector collaboration and partnership develops and is maintained in the best interest of the children to be served by the SMCP. It also seeks feedback on ideas for ensuring transparency with child-serving partner entities with respect to the level of support and collaboration that child-serving entities should expect from the SMCP and options for reporting non-performance. Furthermore, the Division is considering whether it should implement a SMCP coordinating committee that consists of regional representatives from various systems and sectors that serve children in addition to family representatives that would serve as a community advisory committee for the SMCP.

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- 6. Solutions to Managed Care Pitfalls:** Nevada Medicaid recognizes that managed care has its strengths and weaknesses, like any delivery system model for risk-based coverage and reimbursement of Medicaid services. Therefore, the Division seeks feedback and input on various mechanisms to address some of the weaknesses of the managed care model in the development of a new SMCP for the target child population.
- a. Performance: The Division is interested in implementing a public dashboard or tool for tracking the performance of the new SMCP and its network providers. The Division seeks feedback on this idea and the types of quality metrics or indicators that the public and stakeholders would find helpful if the Division implements such a public tool for the SMCP.
 - b. Profit v. Non-Profit: With respect to a risk-based entity being responsible for serving this vulnerable population, the Division has received some feedback that the type of business entity is important to consider. The Division seeks feedback on whether it should prioritize non-profit over for-profit vendors to serve as the SMCP in the scoring or evaluation process of the procurement. Please explain your answer and the pros and cons of your recommended approach.
 - c. Vendor Payment: The Division is considering a contractual mandate that the SMCP meet a medical loss ratio to ensure most of the funds paid to the SMCP are used to pay for services rendered by network providers instead of vendor overhead and administrative expenses. The Division seeks feedback on the level or percentage of the medical loss ratio that seems appropriate for this population, and if there are recommendations on whether the Division should seek to secure the state's share of the remittances to fund additional bonus payments for the SMCP or providers that are designed to drive greater performance and outcomes.
 - d. Community Reinvestment: As previously mentioned, the Division is considering some level of community reinvestment for the SMCP with respect to any profits earned by the vendor from operating the managed care program. This would require the SMCP to spend a percentage of its profits annually on certain community-related activities that support this population and do not qualify as covered services or value-added services under the state's contract with the SMCP. The Division seeks feedback on this proposal and the types of activities it should require such investments be spent on by the SMCP pending the level of profits driven by the program.
 - e. Quality Withhold Payments: The Division is considering a withhold arrangement for payment that would allow the Division to "withhold" a portion of the vendor's monthly capitation payment. The amount withheld would become available to the SMCP if it meets certain performance targets or quality metrics. The Division seeks feedback on this approach and the types of performance or quality metrics it should consider for this withhold payment.

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