



# Consolidation to reshape NC’s mental health system

The agreement is expected to streamline the launch of specialized plans for Medicaid participants with complex needs



by Jaymie Baxley December 20, 2023

**TRANSITION, CONSOLIDATION, AND DISSOLUTION AGREEMENT**

This Transition, Consolidation, and Dissolution Agreement (this “**Agreement**”) is entered into as an agreement between Trillium Health Resources, a Local Management Entity/Managed Care Organization (“LME/MCO”) (“**Trillium**”), and Eastpointe Human Services, an LME/MCO (“**Eastpointe**”) (collectively, the “Parties” and each a “Party”) effective December 15, 2023 (the “**Effective Date**”).

By Jaymie Baxley

Two state-funded businesses that manage behavioral health services for low-income residents say they will consolidate to create a single organization to serve 46 counties across eastern North Carolina.

<https://www.northcarolinahealthnews.org/2023/12/20/mental-health-consolidation/>



Trillium Health Resources will take control of Eastpointe Human Services under the agreement, which was signed Saturday by the companies' CEOs. The arrangement will reshape the state's managed care system for providing care to Medicaid participants with mental health needs, substance use disorders and intellectual or developmental disabilities.

Eastpointe and Trillium are part of a network of six local management entities that operate as managed care organizations (known as LME-MCOs). That network oversees the treatment of those patients. A third such organization, the Sandhills Center, will dissolve in connection with the consolidation, leaving North Carolina with four LME-MCOs.

The consolidation flows from a directive issued in November by Sec. Kody Kinsley, head of the N.C. Department of Health and Human Services. He had been instructed by the General Assembly to reduce the state's existing number of LME-MCOs to streamline the anticipated rollout of specialized plans for Medicaid participants who require more intensive services than typical beneficiaries.

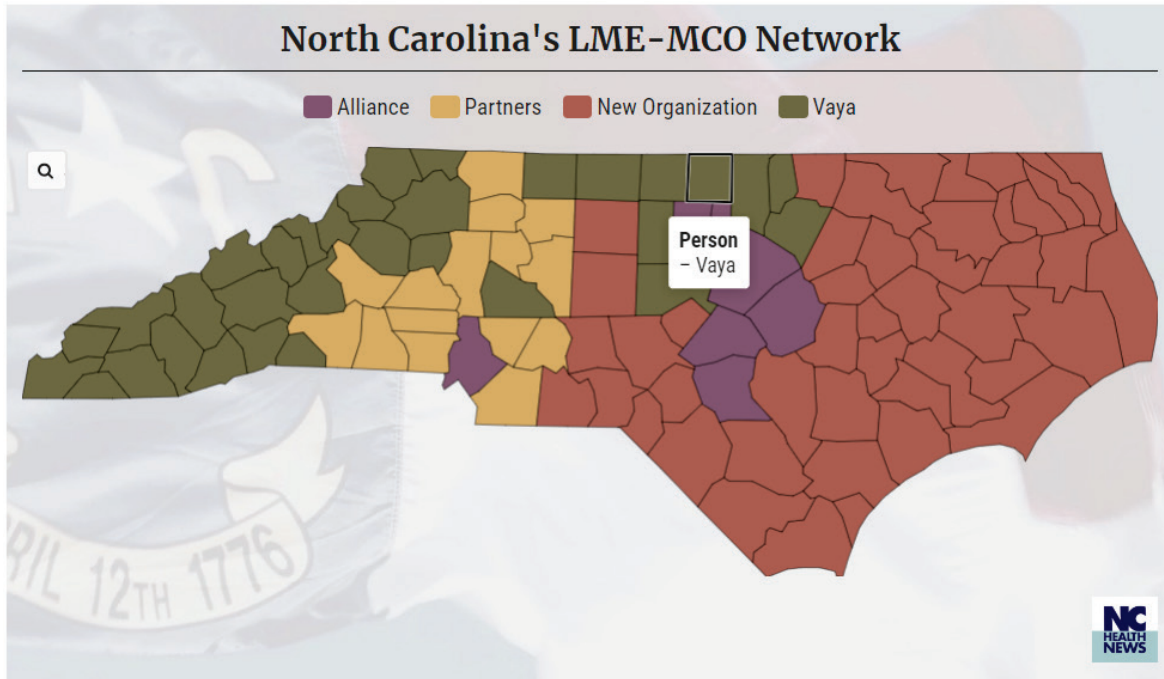
DHHS has repeatedly delayed the implementation of these so-called tailored plans at the request of the LME-MCOs. Sandhills Center, in particular, struggled to secure tailored plan contracts with providers.

“Our goal is to get the tailored plan operators to a place where they can manage their patient population and the complex risks that they have in a smooth way,” Kinsley said in an interview Monday with NC Health News. “We’ve heard loud and clear from the provider community that their position is ‘less is more’ when it comes to managed care organizations. Getting the LME-MCOs [down] to four is a great opportunity to streamline the number of managed care companies that these providers have to contract with.”

He added that DHHS will be working closely with senior leaders from the consolidated LME-MCOs to prepare for the launch of tailored plans, which is now scheduled for July 1.

Nearly all of the counties served by Trillium, Eastpointe and Sandhills Center will be combined into one region, which will be managed by a yet-to-be-named company operated by Trillium. The consolidation is scheduled to take effect on Jan. 1, and the organization must have a new name and branding in place by the start of 2025.

“This is really a consolidation of entities that have different strengths,” Kinsley said. “And I think in recognition that they’re coming together as a consolidation, they should come up with a new name to recognize this step forward.”



In a joint statement on Monday, the companies promised that “all existing employees who desire employment and are in good standing will retain their positions.” The companies must “ensure that staff are offered compensation that is no less than employees’ current compensation,” according to the consolidation agreement.

Joy Futrell, CEO of Trillium, will become CEO of the new organization, while Eastpointe CEO Sarah Stroud will serve as its president. The agreement states that Anthony Ward, CEO of Sandhills Center, will be placed in an executive position.

“We will continue to keep members as our primary focus,” Futrell said in a news release. “We know the next few months will contain many new opportunities, but believe the hard work that Trillium, Eastpointe, and Sandhills Center have already put forth will lead to a successful consolidation.”

The new organization’s board will be made up of 22 members. Eleven of the members will come from Trillium’s board, and the other 11 will be picked from the boards of Eastpointe and Sandhills.

“We’re still going to have to have more conversations in the future about how we have a board that will be representative of all the regions that they now share,” Kinsley said.

Three counties that were served by Sandhills Center and Eastpointe have been assigned to other LME-MCOs. Davidson County chose to change management entities to [Partners Health Management](#); Harnett County moved to [Alliance Health](#); and Rockingham County moved to [Vaya Health](#).

<https://www.northcarolinahealthnews.org/2023/12/20/mental-health-consolidation/>



While Kinsley acknowledged that the consolidation “was not an easy process,” he praised the companies for working together to “better serve the people of North Carolina.”

“I think we all know that the behavioral health system desperately needs it,” he said of the new organization. “This is a big sea change moment for them to structurally put us on that path, so I appreciate their leadership.”