

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES  
DIVISION OF MEDICAL ASSISTANCE

MEDICAL CARE ADVISORY COMMITTEE TELECONFERENCE MEETING  
December 8, 2017

NCSU – McKimmon Center, 1101 Gorman Street, Raleigh, NC

TELECONFERENCE: 919-733-2490

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The Medical Care Advisory Committee (MCAC) met at the NCSU McKimmon Center on Friday, December 8, 2017 at 9:00 am – 12:00 noon.

ATTENDEES

**MCAC Members in Person:** Gary Massey, MCAC Chairman, Samuel Clark, David Tayloe, III, Marilyn Pearson, Billy West, Ted Goins, David Sumpter, Benjamin Koren

**MCAC Members via Telephone:** Kim Schwartz, William Cockerman, Stephen Small, Linda Burhans, C. Thomas Johnson, III, Paula Cox-Fishman

**MCAC Interested Parties:** Tammy Hefner, Mary Short, Sarah Potter, Jenny Hobbs, Jean Andersen, Benjamin Money, Jeff Horton, Bob Hardiman, Beverly Hamilton, Nichole Mitchell, Crain Zachery, Karen Salacki, Kari Barsness, Pam Perry, Alice Miller, Steve Patterson, Christie Burris, Michael Packer, Tripp Tart, Richard Edwards, Bob Crayton, Brian Perkins, Tracy Colvard, Ames Simmons, Sara Wilson

**DMA Staff:** Dave Richard, Sandra Terrell, Melanie Bush, Christal Kelly, Mona Moon, Debra Farrington, Patrick Doyle, Virginia Niehaus, Sarah Pfau, John Stancil, Terry Pennington, Sabrena Lea, Angela Diaz, Michael Eliahu, Betty Staton, Pamela Beatty

CALL TO ORDER

Gary Massey, MCAC Chair

- Gary Massey, MCAC Chair, called the meeting to order at 9:00 a.m. followed by a roll call of the members. Quorum declared. Chairman Massey welcomed and thanked everyone for their participation. Chairman Massey called for a motion to approve the minutes of the regular MCAC meeting held on September 22, 2017 and the teleconference meetings held on October 26, 2017 and November 15, 2017. Motion to approve the minutes was made by Ted Goins. Motion seconded by Marilyn Pearson. All were in favor of approving the minutes as written.
- Chairman Massey reminded the Committee to review the MCAC Written Report found in the meeting packet highlighting Medicaid policy updates and State Plan Amendment submissions and approvals. Asked if there were any comments or questions.

OPENING COMMENTS

Dave Richard – Deputy Secretary, DMA

- Dave expressed his appreciation to all in attendance of the MCAC meeting and those individuals participating my phone. Dave thanked the MCAC for their commitment to work together with the Transformation team, the Secretary's office across DHHS, and the Medicaid Operations team to bring together the new vision of the NC Medicaid Program. We cannot not do it without the cooperation, support, and collaboration of the MCAC, providers and beneficiary communities across NC. We are looking forward to continuing stakeholder conversations.

- Dave announced that the DHHS has temporarily assumed leadership of Cardinal Innovations and revoked their alternative Board structure. Former Medicaid staff member, Trey Sutton, will serve as Interim CEO of the organization. Dave emphasized that there will be no interruptions in services or payments because of these actions.
- Chairman Massey opened the floor for comments or questions before turning the meeting over to Christal Kelly to make a presentation on the Medicaid Budget.

#### MEDICAID BUDGET UPDATE:

Christal Kelly, Associate Director, Provider Reimbursement, DMA

- Christal provided the following highlights of the Medicaid budget.
  - Medicaid enrollment as of November 2017 is 3.3% higher than a year ago, November 2016. Enrollment is on target of what we forecasted for state fiscal year 2018.
  - Medicaid total expenditures were \$231.5 million higher vs the prior year. We do not have concerns as we look at what our current financial state is compared to last year.
  - Our actual Medicaid expenditures results vs budget in comparison of October year-to-date, are 3.5% under budget. As of date, we are \$39 million below our current budget.
- Dave Richard added that \$39 million in state funds is better in the black versus the red; however, it is a very small amount of money. The Medicaid budget is being managed as closely as possible. We will continue to do so in the second half of the fiscal year because any variations will be very difficult to adjust. We are excited by where we are right now because it is consistent with what we had forecasted; but, none of us are in a position where we can breathe easy and celebrate yet.
- Chairman Massey complimented the Division on the work it is doing with the budget and added that the General Assembly will be back in session after the first of the year and they will be tweaking the budgets. On behalf of the Committee, the Chairman encouraged the Department to stand up for the provider community and be supportive of provider payment rates as well as to ensure that the funding is kept at the current levels in the budget, especially as we go into the Medicaid transition.
- Dave thanked the Chairman for his comments and stated that the budget cycle process has already begun for the Medicaid staff. Our goal is to identify those places where we believe we need increase and where we do not. We will go through a very rigorous forecasting process after the first of the year so that the Governor will have a budget proposal that he can present to the GA at the legislative short session in the spring
- Before turning the meeting over to Debra Farrington for an update on the Medicaid Transformation, Chairman Massey expressed appreciation and honor for the opportunity to join Debra and others in the room at the NC Council group in Pinehurst. Stated that they had some very interactive and positive conversations pertaining to the Medicaid transformation with a lot of good folks in Pinehurst.

#### MEDICAID TRANSFORMATION UPDATE:

Debra Farrington, Senior Program Manager, DHB

- Since our last meeting, we made an update to the Behavioral Health I/DD Tailored Plan Concept paper. The December 11, 2017 deadline for responses to come to us was added.
- An additional concept paper was recently released addressing Hospital Supplemental Payments in the Transition to Managed Care. The concept paper was posted for comments on November 2, 2017. Responses are due by December 20, 2017.
- Dave stated that the Division is working closely with the Hospital Association and has a strong working relationship with the hospitals around this issue. We are fortunate in NC to have incredible participation of a wide range of Medicaid providers throughout the state. We have a few items that need to be tied up, but we are close to a solution in meeting the needs of the State, Federal Government, and hospitals.

- Thomas Johnson commented on conversations that have taken place with the State and is happy to say that things are close to being sorted out and will continue in that direction.
- The amended 1115 Demonstration Waiver was submitted to CMS on November 20, 2017 and is available on the website. There are accompanying documents with basic facts about the waiver. Deadline for comments is December 29, 2017. Debra noted that CMS opened its public comment period December 5-January 5. We are getting positive feedback already in our initial interaction with folks. We are asking CMS for a waiver approval by February. We are asking for an earlier approval of our IMD exclusion.
- Kim Schwartz thanked the Division for its good work. She has already filed comments regarding the robust need for exploring and examining some of the dynamics and work to be done around quality improvements and social determinants of health. Kim questioned the means for bringing large groups of folks together to unify towards key quality measures, as it is somewhat vague in the waiver.
- Debra replied that we will be releasing a quality strategy. That document is with the Secretary now for her approval to release it.
- Gary Massey added that we will have structured MCAC subcommittees/focus groups that will allow us to further breakdown the quality piece.
- Billy West shared thoughts and observations of providers and private insurance companies that he recently met with and asked that the Division keep the credentialing process in mind as it works through processes. Stated that the Division has done some very intensive work and made good decisions thus far.
- Dave Richard responded that we will have a centralized credentialing process.
- Marilyn Pearson asked the Division to remember the safety net providers and not do anything to harm them in this transition plan.
- Debra Farrington proceeded to say that we share the Committee's interest and commitment to making system improvements. The Department's ever-present thoughts are that we are trying to create a system that improves access, makes quality care better, and decreases the administrative burden on providers.
- Sam Clark commented that it was good that the State announced plans to centralize credentialing. Asked if a centralized billing system is completely out of the question? Don't want to waste resources on something that the State has already decided we will not get. Sam also asked if Alamance County is still split between two regions in the revision? Debra Farrington replied that she will need to reference the map that was recently released.
- Dave Tayloe said most providers are not particularly happy with Medicaid reimbursement. However, they are very happy with the smooth payment process and responsiveness of DHHS and DMA to provider concerns. A lot of times, Medicaid payments are processed more quickly than private insurance companies.
- As we develop into a Managed Care Organization/LME with multiple payors, Dave Tayloe asked the Division to keep in mind the providers in rural areas without robust business offices. We do not want to run them out of business because of having to deal with multiple payors. If it becomes too difficult with multiple payors, it is likely some providers that will stop accepting Medicaid.
- Sam Clark piggybacked on the billing piece and suggested that the State have a hardship backup plan when we are up and running. Excellent point, said Chairman Massey.
- Chairman Massey added that cashflow concerns are a critical issue that can show up in any transition as we saw with NCTracks.

## MEDICAID SUBCOMMITTEES UPDATE

Chairman Gary Massey

- Chairman Massey discussed the purpose and structure of the MCAC subcommittees, stating that a MCAC member will serve as the chairperson for the subcommittee. Chairman Massey asked for volunteers to lead the subcommittees. Chairman Massey turned the meeting over to Debra Farrington for more insight on the subcommittees.
- Debra commenced by saying that the MCAC subcommittees were created to dig into greater detail about various subject areas and to create an opportunity for a larger group of stakeholders to be engaged with members of the MCAC on items of concern. We will have a group of six MCAC subcommittees. Three of which will be short-term ad hoc subcommittees of the MCAC and three that will be long standing.
- Each subcommittee will have 6-8 participants, including MCAC members and interested members of the public. With some subjects, we will need to engage with associations and other kinds of constituent groups. We want each committee to have a family member or a person with lived Medicaid experiences.
- The MCAC Chair that facilitates each committee will guide the discussions, partner with a Department staff person to develop the agendas to facilitate the meetings, and make sure that the information that comes from those committees is reported back to this larger group.
- Debra provided information about the six MCAC subcommittees and their roles: (1) Credentialing (ad hoc); (2) Network Adequacy (ad hoc); (3) Behavioral Health/IDD (ad hoc); (4) Beneficiary Outreach, Education, Engagement (standing); (5) Provider Outreach, Education, Engagement (standing); (6) Managed Care Quality (standing).
- Debra directed attention to the MCAC Subcommittees solicitation announcement in the meeting packets for the Committee's review and approval. The Department will send this document out next week informing the public about the subcommittees and how they can become participants. Individuals will have a couple of weeks to respond. We will bring a set of recommendations back to the Committee in January and appoint members.
- Floor was opened for comments and questions.
- Chairman Massey entertained chair volunteers and expressed appreciation to all who stepped up to volunteer. Reminded the group that the MCAC and subcommittees serve in an advisory capacity and only provide guidance. MCAC and subcommittees are not involved in governance and are not able to approve or disapprove the transitional process that is evolving. Chairman Massey further stated that members can volunteer/attend any subcommittee meetings that they wish and their input is going to be greatly welcomed and appreciated. As we refine the schedules, we will better know which committees are meeting when and where.
- Recommendations to the MCAC solicitation document were made by MCAC members, Dave Tayloe, Kim Schwartz, and Sam Clark prior to its approval by the Committee. Chairman Massey called for a motion to accept the communication. Motion made and accepted to approve the MCAC Subcommittee solicitation document.

## MEDICAID BY-LAWS AMENDMENTS UPDATE

Chairman Gary Massey

- Chairman Massey asked the Committee to take some time to review the MCAC Bylaws. Apart from technical changes in the Bylaws is the need for a MCAC Vice Chair. Chairman Massey asked Marilyn Pearson to consider that role and she accepted it.
- Sandra Terrell highlighted the following substantive changes to the Bylaws below for the MCAC's consideration.
  - **Article IV, Terms of membership** – added reappointments on a rotational basis.
  - **Article VII, Meetings** – clarified the frequency of the meetings (which is quarterly) and how we have been operating prior to the transformation efforts.

- **Article VIII, Subcommittees** – added the ability of the Chairman to appoint subcommittees. Subcommittees shall be chaired by MCAC members
- **Article XII, Guidelines for Reimbursement** – added the recent IRS changes for reimbursement so that the Bylaws are reflective of these federal changes.
- Chairman Massey asked the MCAC members to submit any additional edits to the DMA staff before the Christmas holiday. A clean draft will be presented at our January meeting for the Committee’s approval prior to submission to the DHHS Secretary for approval.

**MCAC Vacancies (Districts 9 & 10)**

Chairman Gary Massey

- Chairman Massey announced that one nominee is under consideration for District 10, which leave us with one remaining vacancy in District 9. If you have contacts in that area, please advise and ask them to consider. Pam Beatty with help with the applications.

**PUBLIC COMMENTS**

- Chairman Massey opened the floor for public comments.
  - Jenny Hobbs voiced her appreciation to the Division and the MCAC for allowing members of the public to be involved in the MCAC subcommittees. She expressed concern about the make-up of the MCAC Committee and asked the Committee to be open to expanding the membership so that Medicaid recipients from all the different populations are represented and can bring a voice to the table.
- Paula Cox-Fishman expressed appreciation for the comments made about the need for input from people who represent those that cannot represent themselves.

**CLOSING REMARKS**

- Chairman Massey wished the group a Merry Christmas and thanked them for their participation.

**MEETING ADJOURNED**