NC DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF MEDICAL ASSISTANCE

MEDICAL CARE ADVISORY COMMITTEE
BROWN BUILDING (DIX'S CAMPUS) – AUGUST 22, 2014
MINUTES

The Medical Care Advisory Committee (MCAC) met on Friday, August 22, 2014 at 9:00 a.m. in the Brown Building (Dorothea Dix Campus), Raleigh, NC.

ATTENDEES

Dr. Karen Smith, Dr. Marilyn Pearson, Ted Goins, Casey Cooper, C. Thomas Johnson, III, Gary Massey, Susan McCracken, Dr. Hans Hansen, Billy West, Ben Money, Greg Griggs, Tracy Colvard, Nate Lew, Mike , Mike Laraway, Cooper Linton, Erica Nelson Janell Lanta, Tom Mylet, Carol Meyer, Sam Clark, Lynette Tolson, Dr. Robin Cummings, Sandra Terrell, Melanie Bush, Rudy Dimmling, Joe Cooper, Paul Guthery, Angela Taylor, Mardy Peal, Mark Casey, Sarah Pfau, Tracy Linton, Jason Swartz, Steve Tedder, Nancy Hensley, Jeff Horton, Sabrena Lea, Roger Barnes, Joel Mercer, Sam Clark, Christine Coffey, Rachel Williams, Teresa Smith, Sharon Neufville, Pamela Beatty

CALL TO ORDER

Dr. Karen Smith, MCAC Chair

- Meeting was called to order at 9:05 am with welcoming remarks followed by introductions of the MCAC members.

APPROVAL OF MINUTES

Minutes were approved as written for the MCAC meetings held on January 31st and April 4, 2014.

OPENING COMMENTS

Dr. Robin Cummings, Medicaid Director

- Welcomed the meeting participants and thanked the MCAC Members for all that they do. The times have changed and there is a lot going on with "No Time to Rest", remarked Dr. Cummings. Legislative short session just finished and it is time to let the Legislature know your issues. Asked the group to stay active with those making the decisions. Educate people on the facts and your feelings. One person can make a difference. Support the ACO model. DHHS Secretary Wos and Governor McCrory both support the ACO model. It is the way to go, said Dr. Cummings.
- Legislative Oversight Committee (LOC) hearing will begin in earnest 2nd Tuesday of the month.
- Medicaid Reform Subcommittee will be established. Meeting date will be different than the LOC. Secretary Wos wants the Department to remain engaged in the Reform as policy and legislation is developed.
- Provided a brief synopsis the House Bill (HB 11.81) provisions: One being the separation of the Division of Medical Assistance from the Department of Health and Human Services (DHHS) which the Department opposes.
- Dr. Pearson reminded The Division that the MCAC desires to serve as a resource and is willing to attend the LOC meetings and speak on the Division's behalf.
- Dr. Smith led a brief discussion on CMS' requirements for 2014 Stage 1 & 2 Meaningful Use. Rachel Williams stated that there is no delay. Stage 1 will be open in September and Stage 2 in October 2014. Providers will have until April 30, 2015, for attestation.

Medicaid Reform Update

Mardy Peal, Senior Advisor to the Secretary, DHHS

- Provided a brief overview of the proposed Medicaid Reform methods for the delivery of services outlining the gains and risk sharing: (1) Accountable Care Organization (ACO) model will be led by in-state providers with full capitation in 5 years and savings shared with the State or (2) Managed Care Organization (MCO) model will be led by out-of-state health care organizations and providers with full capitation in 2 years with no savings to the State.
- ACO model will rely on CCNC helping the State and ACOs manage utilization and quality.
- CCNC's role's is to be determined with the MCO model.

NC Tracks

Joe Cooper, DHHS Chief Information Officer

- Provided the history of NC Tracks beginning with DHHS awarding the contract to ACS and later canceling it. New contract was awarded to CSC in 2008.
- NCTracks processes 99% of claims within 30 days. More claims have been paid this fiscal year than in the legacy system.
- Claims are being paid at 82% vs. 66% in the legacy system. Nice feature about the NCTracks System is that a provider can determine instantly when claims are paid. New system is detail oriented.
- Pended claims are less than 2%. Sixty-eight to seventy eight percent of claims are paid. Thirty percent are denied for right reasons such as non-coverage of service procedures. Approximately 4 million do not require human reaction.
- NC Tracks continues to have some challenges: (1) Thirty days away from PSER reports; (2) ICD 10 target date is October 2014; delayed by Congress; (3) CMS Certification will change from 50% to 75% which will constitute a $10million savings for the State and (4) System continues to have providers struggling with taxonomy and adding locations.
- NC Tracks replaced 3 systems; added 13,000 new providers this year.
- Call Center addressed 85% of callers on initial conversation and 90% of those were answered in 60 seconds or less.
- The ICD-10 Delay will allow the state more time for testing and trading exchanges with hospitals and providers. Communication will be shared regarding testing.
- ICD-10 training has been done at the local level and tremendous work is being done to find every opportunity to solve problems.
- Dr. Cummings opened the floor for providers attending the meeting to share their experiences with NC Tracks.

Medicaid Budget Update

Rudy Dimmling/Rod Davis, DMA Finance

- Provided a budget report that separated the facts from the noise. The Medicaid Program's financial condition and balance sheets reflect that the State is on the right path and doing better. Closed books a week ago depicting improvement in managing the cash flow. Ended the fiscal year with $63million surplus which is great compared to five past years.
- Eligibility and overall spending cash flow is volatile. Trying to predict the cash flow is a challenge.
- Medicaid enrollment growth rate is higher than the national average partly because of the Affordable Care Act. Medicaid for Infants and Children (MIC) is the leading factor.
- Cash is available for the backlog of applicants due to a $27million drug rebase.
- DMA is changing its process in three areas for stronger forecasting; will include staff from Finance, Policy, Claims and Actuaries for better predictability.

MEDICAID LEGISLATIVE UPDATE

Melanie Bush, Assistant Director, Policy & Regulatory Affairs

- Provided an update on the Appropriations Bill and its effect on Medicaid.
- Appropriations Senate Bill 744 was signed into law on August 7, 2014, as Session Law 2014-100.
- Consists of 9 policy changes; 6 administrative changes; 2 waivers and 18 reports.
- Shared savings program was repealed. DMA issued a report regarding its implementation. General Assembly took our advice.
- Division legislated to draft additional 1915 (C) waivers for CAP/DA services and Traumatic Brain Injury (TBI) subject to CMS approval. CAP/DA waiver will be capped at $20,000 per year for lower level needs. TBI waiver will allow adults to continue receiving services until 21 years of age. Not sure of design; will need stakeholder input.
- Eligibility changes include lowering Medicaid eligibility for special assistance to 100% FPL for the aging and adults with disabilities. State Plan will be required to request grandfathering beneficiaries over 100% FPL into Medicaid.
- Next merger plan for consolidation of the 9 LME/MCOs is scheduled for July 2015. Goal is to have four new LME/MCOs throughout North Carolina by 2016.
- Rate reduction of 3% for Nursing homes end dated 2013.
- Medicaid Annual Report will start publication again.
- In the process of implementing 3% rate reductions to physician. Will recoup claims back to January 2014. Will annually recoup/replay claims on 3%.
- DMA posted a provider training webinar regarding PCS revised payment adjustment plan on Liberty Healthcare of NC as a result of collaborating with them.

NC FAST UPDATE

Angela Taylor, Director – NC Fast

- NC FAST is the State's current eligibility system for NC families and communities; replacing 19 legacy systems. NC FAST determines eligibility for economic benefits and services at the county level.
- Economic benefits include: Food and Nutrition services, Child care, Energy Assistance, Medicaid/CHIP, Work First, Special Assistance, Refugee Assistance and Energy Assistance, Child Welfare and Adult & Family Services
- Processing of applications requires less time. As of date, 8,000 applicants have been served.
- Federal rules resulting from the Healthcare Reform for Medicaid/CHIP has been incorporated into the system.
- Completed Phases 1-3 of the ACA application process. Able to interoperate with the ACA Federal Exchange Marketplace to determine Medicaid or subsidized health insurance eligibility. State experienced some challenges as a result of the Healthcare.gov web site inconsistencies.
- Provided a summary of the total applications received though Health Care Reform. An influx of applications, including duplicates, caused a shortage of staff and backlog of applications. Only one application per individual is needed and determines all eligible programs.
- Backlog of applications consisted of 104,000; balance today is 36,000.
- Additional functionality milestones exist to support the ACA requirements. Seeking Federal guidance on outstanding requirements.
- Open enrollment will start on November 15, 2014.
- Childcare and energy assistance program enrollment will start 2nd Quarter 2015.

PUBLIC COMMENTS – None

MEETING ADJOURNED

The minutes are a synopsis of the MCAC Meeting topics. All items are an update of the program area since the last meeting. Dates vary dependent upon reporting period. Available presentations may be viewed for more details on the DMA Medical Care Advisory (MCAC) web page at: http://www.ncdhhs.gov/dma/mcac/index.htm.