Medicaid Section 1115 Monitoring Report

North Carolina - North Carolina Medicaid Reform Demonstration

DY6Q1 – Nov. 1, 2023 through Jan. 31, 2024

Submitted April 3, 2024

State	*North Carolina*
Demonstration Name	*North Carolina Medicaid Reform Demonstration*
Approval Date	*October 24, 2018*
Approval Period	*November 1, 2019 through October 31, 2024*
Demonstration Goals and Objectives	*North Carolina seeks to transform its Medicaid delivery system by meeting the following goals:* *• Measurably improve health outcomes via a new delivery system;* *• Maximize high-value care to ensure sustainability of the Medicaid program; and* *• Reduce Substance Use Disorder (SUD).*

Contents

DEMONSTRATION YEAR 6 QUARTER 1 REPORT

Executive Summary

This report covers Demonstration Year 6 Quarter 1 of the North Carolina Medicaid Reform Demonstration, Nov. 1, 2023 through Jan. 31, 2024.

Medicaid Expansion went live on Dec. 1, 2023, making an estimated additional 600,000 North Carolinians eligible for NC Medicaid. Close to 300,000 North Carolinians receiving limited Medicaid Family Planning benefits were automatically enrolled to receive full health care coverage through NC Medicaid on day one of expansion. As of Feb. 1, 2024, 346,408 newly eligible North Carolinians are enrolled in Medicaid. It is anticipated that 90-95% of the expansion population will be enrolled in a Standard Plan.

The state budget contained language directing the Secretary for the North Carolina Department of Health and Human Services (NCDHHS) to reduce the number of Local Management Entities/Managed Care Organizations (LME/MCOs) to either four or five organizations. In November 2023, Sec. Kinsley announced that Sandhills Center would be dissolved, and Eastpointe and Trillium Health Resources would consolidate. The consolidation will result in four LME/MCOs – Alliance Health, Partners Health Management, Trillium Health Resources and Vaya Health – and will take effect Feb. 1, 2023. The Department approved the Consolidation Agreement between Trillium and Eastpointe, effective Jan. 1, 2024, and approved Consolidation Plans from Alliance, Vaya, Partners, and Trillium in preparation for the Feb. 1, 2024 consolidation date. LME/MCOs will operate the Behavioral Health Intellectual/Developmental Disability Tailored Plans (Tailored Plans), which will launch July 1, 2024.

In September 2023, the North Carolina legislature authorized NCDHHS to issue a Request for Proposals (RFP) to procure the Children and Families Specialty Plan (CFSP) — a single, statewide NC Medicaid Managed Care plan that will support Medicaid-enrolled children, youth, and families served by the child welfare system in receiving seamless, integrated and coordinated care. The Department released a revised Children and Families Specialty Plan Policy Paper on Jan. 16, 2024. This paper, an update to the July 2022 CFSP policy paper, summarizes the latest CFSP design for eligibility and enrollment, care management, provider network and quality. The CFSP is intended to launch by Dec. 1, 2024. The RFP was released in early February 2024, shortly after the end of this reporting quarter.

This quarter, the Healthy Opportunities Pilot (HOP) team continued implementation efforts to launch HOP for the Tailored Care Management-eligible NC Medicaid Direct population. Due to capacity concerns as the Department launched other initiatives this quarter, including Medicaid Expansion, the Feb. 1, 2024 launch date was delayed to May 1, 2024 to provide more time to develop and execute contracts for the delivery of HOP services.

Medicaid Managed Care

Operational Updates

Tailored Plans

The state budget contained language directing the Secretary for the North Carolina Department of Health and Human Services to reduce the number of LME/MCOs to either four or five organizations. On Nov. 1, 2023, Sec. Kinsley announced that Sandhills Center would be dissolved, and Eastpointe and Trillium Health Resources would consolidate. The consolidation will result in four LME/MCOs – Alliance Health, Partners Health Management, Trillium Health Resources and Vaya Health – and will take effect Feb. 1, 2023.

On Nov. 7, 2023, the Department sent LME/MCOs a proposed Consolidation Plan to set expectations relating to transition of care; Tailored Care Management; provider contracting and payment; staffing; and financial stability, asset distribution, and administrative responsibilities. The LME/MCOs were required to provide Consolidation Plans back to the Department incorporating this guidance. The Department also built a workplan to track progress across all areas covered within the Consolidation Plan, and work features were shared with LME/MCOs in early December. The Department approved the Consolidation Agreement between Trillium and Eastpointe, effective Jan. 1, 2024, and approved Consolidation Plans from Alliance, Vaya, Partners, and Trillium in preparation for the Feb. 1, 2024 consolidation date.

The Department is preparing for the July 2024 launch of Tailored Plans through regular meetings with the Plans. These include weekly status meetings with each Plan to track development work and address business issues and risks, business unit-specific one-on-one meetings with each Tailored Plan, and bi-weekly calls with the Tailored Plan executive leadership teams to address key issues and risks. As part of these weekly status calls, the Department has been engaging with the future Tailored Plans on system development and integration efforts and monitoring progress closely, including progress required for LME/MCO consolidation. Among the closely tracked items is ensuring that Tailored Plan-eligible individuals would have minimal disruption in maintaining care with their currently assigned primary care provider.

Children and Families Specialty Plan (CFSP)

In September 2023, the North Carolina legislature authorized NCDHHS to issue a Request for Proposals (RFP) to procure the Children and Families Specialty Plan (CFSP) — a single, statewide NC Medicaid Managed Care plan that will support Medicaid-enrolled children, youth, and families served by the child welfare system in receiving seamless, integrated and coordinated care. The Department released a revised Children and Families Specialty Plan Policy Paper on Jan. 16, 2024. This paper, an update to the July 2022 CFSP policy paper, summarizes the latest CFSP design for eligibility and enrollment, care management, provider network and quality.

The CFSP will cover all services provided by the Standard Plan in addition to most Tailored Plan services. It includes a broad range of behavioral health services such as outpatient therapy, inpatient treatment,

and crisis and therapeutic residential options for children. Additionally, the CFSP will be responsible for addressing unmet health-related resource needs, including housing, food, transportation, and interpersonal violence. Those who will be automatically enrolled include children in foster care, children receiving adoption assistance and former foster care youth under the age of 26. Certain family members of children in foster care enrolled in the CFSP will also be eligible for benefits. The CFSP is intended to launch by Dec. 1, 2024. The RFP was released shortly after the end of this quarter, on Feb. 8, 2024.

Key Achievements

Standard Plans (serve majority of members receiving services through NC Medicaid Managed Care)

1. Standard Plans have made substantial progress in ensuring that non-active providers are quickly removed from their provider network files (PNFs). All five Plans have had two consecutive months with no non-active providers remaining on their PNFs for more than one business day. Previously, three Plans had corrective action plans (CAPs) in place to address non-active NC Medicaid providers remaining on the PNFs. One CAP remains open; however, that Standard Plan has been in compliance for two consecutive months, and the CAP will be closed after one additional month of compliance. A CAP must include a description of how the issue will be remediated and the timeline for the implementation of the corrective actions. Once a Plan submits a CAP and it is approved by the Department, the Department will monitor the actions identified until the issue has been resolved.

Tailored Plans (intended to serve individuals with behavioral health needs and intellectual/developmental disabilities)

1. With the confirmation of a July 1, 2024 launch date for Tailored Plans, the Department's business units proposed adjusted dates for major Tailored Plan program milestones starting in early November. The business units also worked with the remaining four Tailored Plan vendors and related external vendors to revise timelines for work supporting the program milestones. On Dec. 14, 2023, the Department's executive leadership team unanimously approved the adjusted milestone dates for the July launch date of the Tailored Plans.
2. As described above, the Consolidation Agreement was signed by all LME/MCOs and took effect Feb. 1, 2024.
3. To date, Tailored Plans have submitted a total of 5,260 deliverables. This quarter, Tailored Plans submitted 378 deliverables, with 282 inbound deliverables finalized. Reviewers from across the Department have gone through iterative reviews of each submitted deliverable and provided feedback to individual Tailored Plans to address questions or unmet requirements prior to submitting final versions for approval.

Key Challenges

Standard Plans

1. Initial Notices of Deficiencies (NODs) for contract year two Network Adequacy Determination and Deficiencies were issued for all Standard Plans. Additionally, notices of noncompliance with automated claims processing requirements were issued to four Plans.

Tailored Plans

1. Network Adequacy and Provider Contracting: Provider network coverage and its impact on PCP choice and assignment is an area of concern across the Tailored Plan program and was a major factor in the decision to delay the Tailored Plan launch to July 1, 2024. The Tailored Plans have been under a Notice of Concern since August 2022 to provide the Department with greater visibility into how they are progressing with provider contracting across several key areas. As of August 2023, all but one plan had met the original targets for primary care provider (PCP) contracting, which included no more than 20% disruption to members' historical PCP assignments. (This threshold was later updated to no more than 10% disruption to members' historical PCPs.)

   With the consolidation of LME/MCOs and realignment of members to the remaining four Plans, the Department completed a new analysis of potential historical PCP disruption for members. Three of the four LME/MCOs do not currently meet updated CMS threshold of no more than 10% disruption to members' historical PCPs. The Department is planning to close the open notices from August 2022 and reissue Notices of Concern to the three Plans that have not met the target. The Plans will be required to increase reporting frequency to monitor PCP contracting progress against the CMS target leading up to critical milestones such as Plan auto-enrollment, PCP choice period and PCP auto-assignment.

2. Tailored Care Management Auto-assignment: The Department has been working closely with the LME/MCOs to improve their readiness to independently support TCM auto-assignment since April 2023, a process that they will continue to perform for the Tailored Plan population upon Tailored Plan launch. The goal is to reach a point where all LME/MCOs, with oversight but limited direction from the Department, can correctly identify and assign newly eligible members and identify and reassign members who had a change in eligibility or overall care needs.

   Currently, three of the four LME/MCOs have been approved to submit daily assignments directly to NCFast. The remaining LME/MCO submits assignments and reassignments to NCFast on a bi-weekly basis with Department oversight. The Department has worked with the LME/MCO to better understand the issues with their auto-assignment process and provide guidance. The LME/MCO has provided a timeline for when their issues will be resolved, with the hope that they can graduate to daily assignments soon.

Issues or complaints identified by beneficiaries

The Department receives beneficiary complaints primarily from the Office of Administration and the NC Medicaid Member Ombudsman. The NC Medicaid Ombudsman is an independent organization that provides education, guidance and referrals to NC Medicaid beneficiaries. Not all Ombudsman calls should be interpreted as complaints, as many involve educating beneficiaries or connecting them to the entity that can provide the service they need. (See Appendix A for a full list of cases by category type.) Due to a data issue, Ombudsman data for January 2024 was not available at the time of report submission. This information will be added to the next quarterly report.

NC Medicaid Member Ombudsman Cases

November 2023		December 2023		Total Cases
Information	Issue Resolution	Information	Issue Resolution	
584	1,172	575	1,252	**3,583**

The Office of Administration largely handles cases referred from state legislative offices. In previous monitoring reports, all constituent concerns handled by the Office of Administration were reported, including those from non-beneficiaries (such as providers). As of DY5Q1, only concerns from NC Medicaid beneficiaries are included.

Office of Administration Member Concerns

Issue Category	Number of Issues
Behavioral health	8
Claims	1
Clinical/Medical health	1
Eligibility	2
Pharmacy	1
Total	**13**

Lawsuits or legal actions

There are no updates to lawsuits or legal actions to report this quarter.

Legislative updates

There are no legislative updates to report this quarter.

Performance Metrics

Outcomes of care

The Department planned to report three outcome measures in its monitoring reports: Comprehensive Diabetes Care, Low Birth Weight, and Rating of Personal Doctor. Results for Rating of Personal Doctor were provided in the previous report. The Low Birth Weight metric results will be available in the next quarterly report. Hemoglobin A1c (HbA1c) Control for Patients with Diabetes rates are not available yet, as the Department does not receive A1c values via claims and encounters. The Department is working to obtain accurate A1c data through NC HealthConnex, North Carolina's statewide health information exchange, in order to report this measure.

Quality of care

There are no quality of care metrics to report this quarter. Annual quality measure results were provided in the previous quarter.

Access to care

Network Time/Distance Standards

The percentage of members with access to provider types that meet network adequacy standards is shown below for each Standard Plan by region and type of service provider. The state's time or distance network adequacy standards generally require that at least 95% of the membership meet the access standard. As of the end of this quarter, all Standard Plans met the state's time or distance standards for the five key service categories of hospitals, OB/GYN, primary care (adult and child), pharmacy and outpatient behavioral health (adult and child).

AmeriHealth Caritas									
Region	# of Counties	# of Members*	Hospitals	OB/GYN	Primary Care (Adult)	Primary Care (Child)	Pharmacy	Outpatient Behavioral Health (Adult)	Outpatient Behavioral Health (Child)
			% Members	% Members	% Members	% Members	% Members	% Members	% Members
1	19	144,579	99.8%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
2	13	301,714	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
3	12	426,328	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
4	14	347,131	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
5	15	289,152	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
6	27	220,932	99.3%	99.6%	100.0%	100.0%	99.8%	100.0%	100.0%

*Number of members currently mandated in Managed Care population as of 10/19/22. This is NOT representative of each Standard Plan's membership.

Carolina Complete Health									
Region	# of Counties	# of Members*	Hospitals	OB/GYN	Primary Care (Adult)	Primary Care (Child)	Pharmacy	Outpatient Behavioral Health (Adult)	Outpatient Behavioral Health (Child)
			% Members	% Members	% Members	% Members	% Members	% Members	% Members
1	19	144,579							
2	13	301,714							
3	12	426,328	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
4	14	347,131	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
5	15	289,152	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
6	27	220,932							

*Number of members currently mandated in Managed Care population as of 10/19/22. This is NOT representative of each Standard Plan's membership.

Healthy Blue/Blue Cross Blue Shield of NC									
Region	# of Counties	# of Members*	Hospitals	OB/GYN	Primary Care (Adult)	Primary Care (Child)	Pharmacy	Outpatient Behavioral Health (Adult)	Outpatient Behavioral Health (Child)
			% Members	% Members	% Members	% Members	% Members	% Members	% Members
1	19	144,579	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
2	13	301,714	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
3	12	426,328	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
4	14	347,131	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
5	15	289,152	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
6	27	220,932	99.1%	99.4%	99.5%	99.2%	99.9%	100.0%	100.0%

*Number of members currently mandated in Managed Care population as of 10/19/22. This is NOT representative of each Standard Plan's membership.

United Healthcare									
Region	# of Counties	# of Members*	Hospitals	OB/GYN	Primary Care (Adult)	Primary Care (Child)	Pharmacy	Outpatient Behavioral Health (Adult)	Outpatient Behavioral Health (Child)
			% Members	% Members	% Members	% Members	% Members	% Members	% Members
1	19	144,579	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
2	13	301,714	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
3	12	426,328	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
4	14	347,131	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
5	15	289,152	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
6	27	220,932	99.6%	99.5%	99.9%	99.9%	99.8%	100.0%	100.0%

*Number of members currently mandated in Managed Care population as of 10/19/22. This is NOT representative of each Standard Plan's membership.

Wellcare									
Region	# of Counties	# of Members*	Hospitals	OB/GYN	Primary Care (Adult)	Primary Care (Child)	Pharmacy	Outpatient Behavioral Health (Adult)	Outpatient Behavioral Health (Child)
			% Members	% Members	% Members	% Members	% Members	% Members	% Members
1	19	144,579	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
2	13	301,714	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
3	12	426,328	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
4	14	347,131	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
5	15	289,152	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
6	27	220,932	99.2%	99.7%	99.4%	99.1%	99.8%	100.0%	100.0%

*Number of members currently mandated in Managed Care population as of 10/19/22. This is NOT representative of each Standard Plan's membership.

Provider Enrollments by PHP

Provider enrollment by provider type is available by PHP. There are 25 provider type categories. Provider enrollment for two categories, ambulatory health care facilities and behavioral health/social service providers, is provided below for illustration. See Appendix B for the full list.

Provider Enrollment by PHP – Select Categories

Ambulatory Health Care Facilities by PHP

AmeriHealth	Healthy Blue	CCH*	United	WellCare
944	1,174	901	933	1,044

*CCH only operates in regions 3, 4 and 5. The other PHPs operate in all 6 regions.

Behavioral Health and Social Service Providers by PHP

AmeriHealth	Healthy Blue	CCH*	United	WellCare
8,535	8,956	7,434	5,412	8,155

*CCH only operates in regions 3, 4 and 5. The other PHPs operate in all 6 regions.

Beneficiaries Per AMH Tier

The Department developed the AMH model as the primary vehicle for care management in Standard Plans. AMH Tier 3s are the Department's highest level of primary care, focused on care management and quality. The tables below show the count and proportion of beneficiaries in each AMH tier by PHP.

Member Count by PHP and AMH Tier

	AmeriHealth	CCH*	Healthy Blue	United	WellCare	Total
No PCP Tier	30,476	12,727	49,447	50,957	27,504	**171,111**
Tier 1	5,370	4,077	7,835	5,591	2,244	**25,117**
Tier 2	58,522	56,642	83,173	88,538	46,675	**333,550**
Tier 3	286,334	195,481	435,435	301,392	391,715	**1,610,357**

*CCH only operates in regions 3, 4 and 5.

Member Proportion by PHP and AMH Tier

	AmeriHealth	CCH	Healthy Blue	United	WellCare
No PCP Tier	8.00%	4.73%	8.59%	11.41%	5.88%
Tier 1	1.41%	1.52%	1.36%	1.25%	0.48%
Tier 2	15.38%	21.06%	14.44%	19.83%	9.97%
Tier 3	75.21%	72.69%	75.61%	67.50%	83.68%

AMH Provider Enrollment

Proportion of Providers Contracted by State-Designated AMH Tier by PHP*

	AmeriHealth	CCH	Healthy Blue	United	WellCare
Tier 1	44.57%	78.46%	65.19%	62.27%	59.49%
Tier 2	64.43%	78.10%	91.89%	71.98%	67.40%
Tier 3	82.01%	88.39%	76.73%	80.15%	95.53%

*Providers that are not contracted at the State-designated AMH tier are not included in these counts.

Care Management Penetration

These data represent members enrolled in Standard Plans receiving care management through a Standard Plan or Tier 3 AMH practice, and Care Management for At-Risk Children (CMARC) and Care Management for High-Risk Pregnancies (CMHRP) from local health departments (LHDs) since the start of

the contract year (July 2023). These data are provided with a one-month lag (DY6Q1 ends January 2024; however, data are available only through December 2023.)

CMHRP is the Department's primary vehicle to deliver care management to pregnant women who may be at risk for adverse birth outcomes. CMARC offers a set of care management services for at-risk children ages 0 to 5. Care management provided through a Standard Plan, Tier 3 AMH, or LHD to members enrolled in Standard Plans is reported by Standard Plans on the BCM051 Care Management Interaction operational report.

The Department has set a target of 22% of Standard Plan members receiving care management services in Contract Year 3. Standard Plans are currently on track to meet the target.

Care Management Penetration (defined as at least one interaction with care manager within one year) by Entity, Contract Year 3

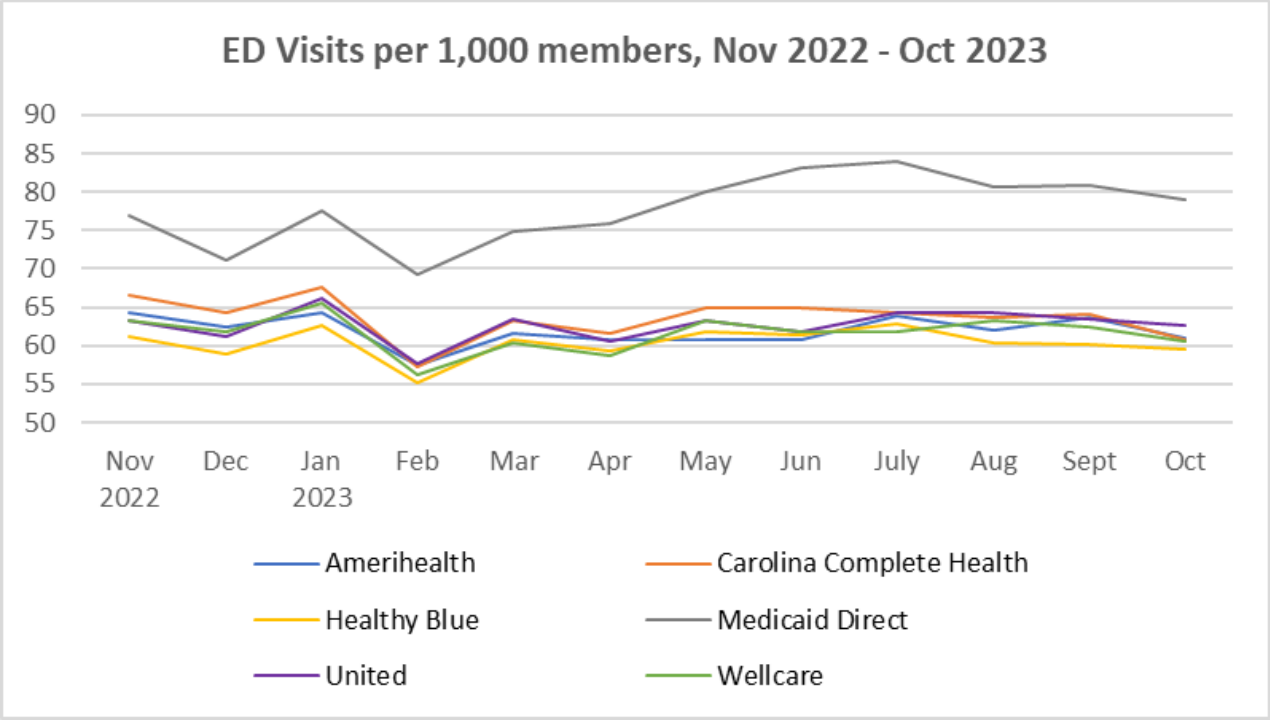
Period: July 1, 2023 –December 31, 2023				
	SP	**AMH3**	**LHD**	**Overall**
Total Number of Members Care Managed	51,500	231,824	25,541	293,777
Care Management Penetration Rate	**4.0%**	**20.1%**	**58.8%**	**13.3%**
Total Number of Members	1,278,850	1,154,050	43,457	2,211,760

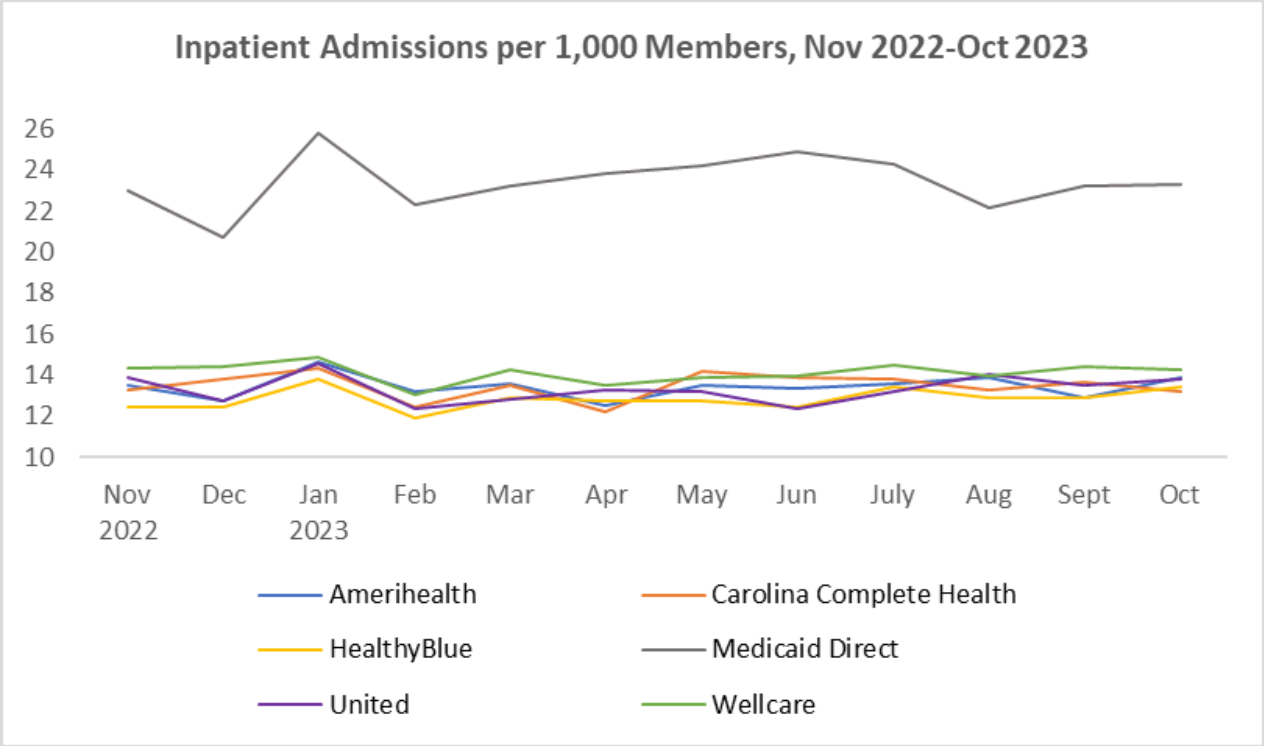
***Source**: All data in table are derived from BCM051 Care Management Interaction report prepared by SPs and submitted to DHB. Some members may be receiving CM from multiple entities and may be counted in multiple categories.*

Emergency Department Visits per 1,000 Members and Inpatient Admissions per 1,000 Members

Emergency department visits per 1,000 members and inpatient admissions per 1,000 members are measured for the adult NC Medicaid population (age 21 and older) and broken out by Standard Plan and NC Medicaid Direct. Claims denied because they were erroneously billed to NC Medicaid Direct instead of a Standard Plan were excluded from measurement calculations to avoid duplication. Medicaid beneficiaries not eligible for hospital coverage (e.g., family planning participants) were excluded from NC Medicaid Direct calculations.

To better reflect claims lag and provide more accurate data, the Department is reporting these rates with a two-month lag. It should be noted that higher rates are expected for NC Medicaid Direct, as members with substantial behavioral health issues to be enrolled in Tailored Plans currently remain in NC Medicaid Direct. Due to the two-month lag, the data for all of DY5 could not be included in the annual DY5 report. Emergency department and inpatient rates for the full DY5, November 2022 – October 2023, are provided below.





Results of beneficiary satisfaction surveys

There are no new beneficiary satisfaction survey results to report this quarter.

Budget Neutrality and Financial Reporting Requirements

The Department will provide CMS with updated budget neutrality information in the next budget neutrality workbook submission.

Evaluation Activities and Interim Findings

The DY6Q1 reporting period activities have continued the evaluation work by the Sheps Center team. The evaluation uses a mixed-methods approach, combining analysis of administrative data with qualitative data to obtain detailed insights into the transformation that are not easily captured through claims and surveys.

Transition to Capitated Encounter Data from PHPs

Sheps Center data scientists and analysts have now been working with the encounter data from beneficiaries enrolled in Standard Plans for more than two years. Beginning in April 2023, they began receiving encounter data from the LME/MCOs through a new claims processing system. As reported last quarter, the LME/MCOs changed the vendor through which their claims are submitted to align with Standard Plan data submission. As of last quarter, the state had not yet released data from at least two

LME/MCOs. Metrics that include services paid for through the LME/MCOs will be incomplete beginning on April 1, 2023 until the full data set is released. Additionally, because the July launch of Tailored Plans will bring medical services for the Tailored Plan-eligible population under Tailored Plan contracts, there may be an additional transitional period for processing these medical claims that could result in a longer claims run-out period beginning July 1.

Quantitative Update

The quantitative team continues to receive new data from the NC Division of Public Health, including updates to birth and death certificate and immunization data, and new files on care management data, value-based payment data and NCCARE360, the database that tracks Healthy Opportunity Pilot services and referrals. The team has also been in contact with the Division of State Operated Healthcare Facilities to revive the data request submitted years ago for data on Institution for Mental Disease (IMD) utilization that is not available from Medicaid claims due to state-only payments prior to and during the waiver. To date, neither the IMD data nor the Prescription Drug Monitoring Program data have been received.

All data received sources are ingested into the University of North Carolina's secure data warehouse and are linked to NC Medicaid member information to generate metrics that are updated and tracked during the evaluation period. In addition, the team continues to update many of the metrics from established custodians for new time periods and updated technical specifications consistent with the NC Medicaid Managed Care Quality Strategy, Adult and Child Core measures, and other metrics that will address the study hypotheses. The evaluation team has begun looking at Arizona's Medicaid data as a potential comparison site. While Arizona and NC are geographically separated, both states have considerably large non-White populations. In addition, Arizona was the first state in the nation to implement managed care in Medicaid, and thus its system represents a mature managed care program and may be a suitable comparison as a reflection of where North Carolina's system may be going. Sheps is in the process of comparing some metrics between the two states to ensure that the trends in the metrics are moving in the same direction during the pre-implementation period, often referred to as the *parallel trends* assumption.

The evaluation team has continued the development of a new member-level behavioral health dashboard. This should be released and made available to the Department in the upcoming quarter. Sheps has also continued updating the aggregated behavioral health dashboard and the substance use disorder dashboard monthly.

The quantitative team is also developing new methodology to account for the complex dynamics during the COVID-19 pandemic in the evaluation. Once finalized, these methods will be shared with the Department and CMS.

Qualitative Update

This quarter's dissemination work included addressing comments received on drafts of the summary results for the 2023 provider and beneficiary interviews. These summary reports will be posted on the Sheps Center's website. The team's first manuscript will be resubmitted for review in the next quarter.

Results from previous interviews were used for a submission in January 2024 to the AcademyHealth Annual Research Meeting.

Work on beneficiary data collection and interviews this quarter included developing a multi-year project plan that was discussed with key stakeholders at the Department, as well as developing this year's sampling strategy, interview guides, and recruitment and outreach approach. The team worked with researchers at the Center for Health Equity Research as well as the Department to identify inclusive approaches to outreach that make use of existing organizations, relationships and events. Sheps received IRB approval for the next updated data collection plans, and outreach and recruitment with beneficiaries will begin next term. Interviews with PHPs and NC Medicaid staff will begin in the next quarter. Interview guides have been finalized to incorporate data from prior interviews with NC Medicaid staff and PHPs, information from prior interviews with health care providers in North Carolina, and information from the survey team and NCDHHS.

Healthy Opportunities Pilot

Operational Updates

Introduction

This quarter, the Healthy Opportunities Pilot (HOP) continued implementation efforts to launch HOP for the Tailored Care Management (TCM)-eligible NC Medicaid Direct beneficiary population, which included baselining the workplan to a new launch date. The Department also continued work to support the development of the interim evaluation report and, in anticipation of the 1115 waiver renewal, began strategic design sessions focused on the statewide expansion of HOP.

Additionally, the Department began strategic initiatives to facilitate the sharing of lessons learned and technical assistance with other state partners.

Key achievements

The LME/MCOs that will be implementing HOP for TCM-eligible NC Medicaid direct beneficiaries achieved an important implementation milestone this quarter by successfully completing onsite readiness reviews. Onsite readiness reviews require the health plans to demonstrate their understanding of and ability to complete HOP processes to ensure they are prepared for program launch.

Additionally, several system enhancements were released during this quarter to enable process improvements, including the integration of the referral platform with the state's Medicaid Management Information System (MMIS). This allows for an in-platform verification of Medicaid eligibility for HOP enrollees.

Finally, this quarter the Department finalized work with state partners to author and publish an article about North Carolina's approach to providing housing support services in *Health Affairs*. Additionally, to ensure that the state is sharing lessons learned and technical assistance with other state partners, the HOP team led efforts for the state to participate in two national convenings, the Housing and Services

Partnership Accelerator and the Medicaid Health-Related Social Needs Implementation Learning Series hosted by the Center for Health Care Strategies.

Key challenges

Several significant Department initiatives occurred during this quarter, including Continuous Care Unwinding, Medicaid Expansion, and the consolidation of LME/MCOs. Because of these initiatives, the Department experienced capacity constraints and was required to adjust priorities. To accommodate the capacity concerns, the Feb. 1, 2024 launch of HOP for the TCM-eligible NC Medicaid Direct beneficiaries was delayed to May 1, 2024 to provide more time to develop and execute contracts.

Performance Metrics

Enrollee Service Costs

The enrollee service cost analysis represents NCCARE360 data received by the Sheps Center on Dec. 21, 2023. This data contains information on services delivered March 15, 2022 through Nov. 30, 2023 that had an invoice status of “paid.” There were 10,832 members that received a total of 173,771 services that had been both provided and paid for, totaling an amount invoiced of $31,236,724.90. Costs are calculated using “amount invoiced” within NCCARE360 as it is the most current and reliable data source. It should be noted in analyses of spending by service domain that Interpersonal Violence (IPV) services only launched April 5, 2023, while the other service domains launched in 2022.

Assessments found that members fell into disparate eligibility categories when completing multiple screening forms, even when the screenings were completed on the same day. Due to this, eligibility category is determined by age at time of enrollment for age-based categories. If a beneficiary indicated they were pregnant on their screening form at any point in their enrollment, they were also placed in the pregnant individuals eligibility category. Individuals that did not fall into the pregnant individuals category and for whom an age could not be calculated (because they had no date of birth provided) were coded as having a missing eligibility category.

Ten largest invoiced amounts per individual beneficiary

Order	Total Amount Invoiced	Types of Service(s) Received			
		Food	Housing	Transportation	Cross
1	$ 60,645.14	-	-	-	✓
2	$ 44,927.71	✓	✓	-	✓
3	$ 43,910.52	✓	✓	-	-
4	$ 33,593.64	✓	✓	✓	✓
5	$ 32,949.58	✓	✓	-	-
6	$ 26,992.90	✓	✓	✓	✓
7	$ 26,794.23	✓	✓	-	-
8	$ 26,363.61	✓	✓	✓	-
9	$ 26,025.12	✓	-	✓	✓
10	$ 25,019.19	✓	✓	✓	-

*Cross-domain services include holistic high intensity enhanced case management, medical respite and linkages to health-related legal supports

**There were no IPV services delivered to any of the beneficiaries with the ten largest invoiced totals. IPV services launched April 5, 2023.

Percentile amount paid and amount invoiced per enrollee

Percentiles	Amount Invoiced
90%	$ 6,452.62
75%	$ 3,861.17
50%	**$ 1,971.39**
25%	$ 871.11
10%	$ 400.26

Percent of amount paid by PHP and HOP service category

PHP	Food Services	Housing Services	Transport-ation Services	Cross – Domain	IPV* Services
AmeriHealth Caritas North Carolina	8.81%	3.76%	0.23%	0.06%	0.01%
Blue Cross and Blue Shield of North Carolina	16.47%	8.40%	0.61%	0.32%	0.03%
*Carolina Complete Health***	3.71%	3.00%	0.61%	0.09%	0.01%
UnitedHealthcare of North Carolina	11.11%	6.09%	0.52%	0.48%	0.01%
WellCare of North Carolina	24.49%	10.46%	0.79%	0.42%	0.03%
Total	**64.59%**	**31.72%**	**2.76%**	**1.39%**	**0.09%**

** Interpersonal Violence/Toxic Stress launched in April 2023, later than other services)*

***CCH only operates in one Pilot region*

Percent of amount paid by PHP by Enrollment Category

PHP	Children 0 – 20	Adults 21+	Pregnant Women*	Missing
AmeriHealth Caritas North Carolina	4.99%	7.41%	0.34%	0.48%
Blue Cross and Blue Shield of North Carolina	10.20%	14.56%	0.68%	1.08%
*Carolina Complete Health***	3.02%	3.60%	0.19%	0.26%
UnitedHealthcare of North Carolina	5.97%	11.36%	0.73%	0.87%
WellCare of North Carolina	14.27%	20.21%	0.63%	1.71%
Total	**38.45%**	**57.14%**	**2.56%**	**4.40%**

**Pregnant beneficiaries will also appear in either children 0 – 20 or adults 21+*

***CCH only operates in one Pilot region*

Incentive Payments to PHPs, NLs, and Pilot providers

There were no incentive payments released this quarter.

Pilot Capacity Building Funding

There were no capacity building payments released this quarter.

Healthy Opportunities Pilots Evaluation Activities and Interim Findings

During this quarter, the Sheps Center HOP team provided ongoing technical assistance and engagement with state of North Carolina program personnel to facilitate the Healthy Opportunities Pilots evaluation. Activities included bi-weekly meetings to discuss data goals and technical difficulties as well as continued participation in standing meetings to discuss other program updates and goals.

The team continued development and analysis of metrics for the HOP Interim Evaluation Report, the first draft of which will be submitted to the Department on Feb. 16, 2024. The report is due to CMS April 30, 2024. Additionally, the team is working through the final revisions to a qualitative manuscript. The revised submission was accepted in the *Journal of Public Health Management and Practice* in November and is currently in production.

Primary data collection for evaluation question 4 (patient-reported health outcomes) is ongoing. Sheps has continued collecting data via a longitudinal survey that launched at the end of May 2023. Survey materials for Spanish speaking participants have been finalized and the team has started to collect survey data for Spanish-speaking participants. They have also prepared study materials to begin interviews with pilot participants in 2024.

Finally, the Sheps team is working on dashboarding that facilitates monitoring of Pilot implementation. Dashboard visualizations include enrollment, invoicing and payment, and service delivery. This work has also included developing definitions of data elements that will be visualized in dashboards, working with the Department to understand the prioritization of the data elements, and working on the design of the visualization dataset.

Residential and Inpatient Treatment for Individuals with a Substance Use Disorder

The Department will provide detailed information in the Substance Use Disorder quarterly monitoring report due to CMS May 1, 2024.