

MEDICAL CARE ADVISORY COMMITTEE (MCAC) MEETING MINUTES  
September 20, 2019

NCSU McKimmon Center, 1101 Gorman Street, Raleigh, NC  
Teleconference Number: 866-390-1828 (Access Code: 4586030)

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The Medical Care Advisory Committee (MCAC) met at the NCSU McKimmon Center on Friday, September 20, 2019 at 9:00 a.m. – 11:30 p.m.

ATTENDEES

**MCAC Members:** Gary Massey, MCAC Chairman, Marilyn Pearson, MCAC Vice Chair, Kim Schwartz, Samuel Clark, David Tayloe, Benjamin Smith, Casey Cooper, Billy West, Jr., Thomas Johnson, Duncan Sumpter

**MCAC Members via Telephone:** Stephen Small, Chris DeRienzo, William Cockerham, Jenny Hobbs, Tara Fields,

**MCAC Interested Parties:** Adam Scholar, Jeff Horton, Chris Evans, Tracy Colvard, Michelle Bucknor, Brendan Riley, Brian Perkins, Kay Castillo, Jamal Jones, Ames Simmons, Pam Perry, Elizabeth Hudgins, Jason Swartz, Sara Wilson, Kari Barsness, Lu Xu, W. Gardner Culpepper, Brett Altman, Mardy Peal, Steve Patterson, Kristen Dubay

**DHB Staff:** Dave Richard, Jay Ludlam, Debra Farrington, Adam Levinson, Shannon Dowler, Sabrena Lea, Jean Holliday, Terri Pennington, Betty Staton, Arthur Becton, Michelle Alvarez, John Stancil, Linda Provanzo, 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 MCAC member roll call. Pamela Beatty declared a quorum of the members. An introduction of individuals in the room followed. Chairman Massey welcomed and thanked everyone for their participation. Chairman Massey entertained a motion to approve the August 16, 2019 MCAC Meeting minutes. The minutes were approved by the Committee. Chairman Massey directed attention to the Written Report with changes to clinical policies and the proposed State Plan Amendments (SPAs) in the meeting packets.

OPENING REMARKS:

*Dave Richard, Deputy Secretary, NC Medicaid*

- Dave thanked the MCAC members for their dedicated service. Over the past year, the Department has seen incredible participation from the MCAC, Subcommittees, and stakeholders for their work with the Medicaid Transformation.
- Dave introduced Dr. Shannon Dowler as the new NC Medicaid Chief Medical Officer. Dr. Shannon stated she is super excited to be with NC Medicaid and shared information on her background.
- Dave provided highlights of the State Budget that was overridden by the House and commented that it lacks important components. The Budget is still pending a signature from the Senate.
  - **DHHS \$40 million Administration Cut**– in the first year it is totally covered by nonrecurring revenue; there is no guarantee that money will continue. The second year is partially offset by non-recurring revenue. This is a \$40 million cut to the Department's administrative budget. It is a significant reduction and will create a circumstance in which the Department could not function the way it does today, Dave stated.
  - **Medicaid Rebase** is not funded at the level that Governor Cooper proposed. This is a significant issue to Medicaid as well.
  - **DHHS Move to Granville County** – This will cause hardship to our employees as most of them would have an hour drive to Granville County. It has already impacted the Department's ability to recruit new employees. Additionally, it puts us an hour away from the center of government in Raleigh. If this move happens, the Department cannot function as it does today. The Department is not comfortable with that budget. There are multiple other things in the budget that are concerning.

- **Medicaid Expansion** – the conversation still continues. On Wednesday, the House Health Committee passed the “Carolina Cares” House bill with amendments put forth by the Democrats. Representatives Donny Lambeth, Josh Dobson, and others provided overwhelming support. It is a good sign that people are trying to find solutions for what we see is a serious coverage issue inside North Carolina. Dave said there will not be a perfect solution for anybody; there will be compromises. Dave thanked the committee for their work and encouraged them to keep their commitment to this issue and continue to have conversations with the people they can influence.

## MEDICAID MANAGED CARE UPDATE

*Jay Ludlam, Assistant Secretary, NC Medicaid*

- Jay provided the following Medicaid Managed Care updates:

### Standard Plan Update

- The Department extended open enrollment for Phase 1 beneficiaries due to budget issues. We will move towards a statewide go-live in February 2020 for all plans, counties, and regions. This extension does not impact the Tailored Plans procurement or its implementation timeline. It does impact our (1) End-to-End Testing, (2) Deployment Plan, (3) Communication with beneficiaries and providers, (4) DSS county offices that have been supporting us and our beneficiaries, (5) the constellation of operational partners that we have brought on since we began the Managed Care transformation project, including our Enrollment Broker (ER), credentialing vendor, and the health plans.
- What is Changing – beneficiaries in all Managed Care regions will have the option to choose a health plan during the open enrollment period. Open enrollment will continue on for regions 2 and 4. Enrollment for those regions will now end in December. Open enrollment for Regions 1, 3, 5, 6 will begin in mid-October 2019. Beneficiaries may keep their current provider by signing up for a health plan that contracts with that specific provider and by selecting that provider as their primary care provider (PCPs).
- Provider Contracting – The Department strongly encourages providers; especially primary care physicians, to contract with health plans for technical reasons related to auto assignment. We are encouraging providers to have their contracts executed by November 15, 2019 to maximize their chance of being included in auto-assignment.
- Open enrollment packets for Regions 1, 3, 5, and 6 will be mailed on October 1, 2019 and open enrollment will begin on October 14, 2019.
- Open Enrollment will end for all regions and counties on December 13, 2019. Auto-assignment to PHPs and PCPs will start on December 16, 2019.
- The open enrollment extension will have an impact on our communications and beneficiary materials.
- MC notices of newly eligible Medicaid beneficiaries in Phase 1 counties will be held until September 24, 2019. A notice about the change will be mailed to all individuals in the initial 27 counties.
- Communication will be sent to four groups (1) those who have not chosen a plan, (2) those who have a choice, (3) those who have chosen, and (4) everyone who have made choices and changes
- **Open Enrollment Extension** – if you have not chosen a health plan, you have additional time to do so. Certain populations do not have to choose a health plan. There is also an auto assignment mechanism in place to catch those that need to be in MC and have not enrolled. Beneficiaries can start using new health plans on February 1, 2020 and have until April 30, 2020 to change plans.
- **Open Enrollment** – we have had approximately 53,000 individuals enroll in MC
- **Provider Contracting** – continues to move. Provider manuals have been posted on the HP’s websites. We also have links to them on our website.
- **Provider Contracting Considerations** – Jay emphasized the November 15<sup>th</sup> deadline for provider contracts to be signed for inclusion in auto-assignment and to be displayed in the provider directory. It will take at least two weeks for the contracts to be loaded. HPs cannot list a provider who the HP cannot pay. Jay urgently encouraged providers to contract today to maximize their chances of being in the auto-assignment algorithm. The auto-assignment algorithm considers the historic PCP member relationship to help us choose which HP that member should be assigned. We will randomly assign individuals to HPs, if the PCP is not in network. This does not mean the member cannot go back and choose the PCP of their choice. The Department is working closely with HP to review their network adequacy and to verify they are doing what we expect them to do at this stage. Kim Schwartz asked a question about the Tier 3 care management component and DHHS’ expectations for MC entities to be ramped up on Day 1, which translates to those of us who are trying to do the work effectively. How is

DHHS communicating their Day 1 expectations to Tier 3 MC providers? Jay replied, as part of the Tier 3 program, providers and practices attested that they would be fully ready to act as a Tier 3 MC provider on Day 1. Practices that may not be ready can always engage the system as a Tier 2 MC provider. If practices come in as a Tier 2, they can become Tier 3 over time. Kim followed up by saying she would love to see a three month check-in to determine the outcomes. Jay stated that having a three month check-in makes a lot of sense.

- **DSS Considerations** – We will continue to have onsite support for Regions 2 and 4 through October 31, 2019. We are in talks with the Enrollment Broker to extend that onsite engagement. We will also move/add additional choice counselors for the remaining 73 counties to answer beneficiaries' questions and help them get enrolled. Counselors will be in DSS offices set hours on particular days.
- **Enrollment Broker Provider Directory Updates** – The Department modified some of the search criteria to return more accurate results. A fact sheet was released as part of the Provider Playbook describing issues and fixes to address the specific issue.
- **Beneficiary Ombudsman** – We are looking to procure an independent third-party vendor to assist beneficiaries with resolving issues. Because the Department is still in procurement, Jay could not speak a lot on this subject.
- **Tailored Plan Update:** The Department released a Care Management Data Strategy on September 13, 2019. Comments are due on October 10, 2019. A Request for Application is still planned for February 2020. New policy documents will be released this fall.
- **Request to Transition Form** – This process is run by the Enrollment Broker and designed to benefit beneficiaries by allowing them to get into the right plans.
- **Next Steps** – The Department is extending our contract with Beacon to support the transition process. We are meeting with MCOs to discuss the process and timeframes. We are also providing training to our beneficiaries, providers, and stakeholder to activate the transition process.
- **Questions from MCAC Members:** (1) Dave Tayloe, asked what kind of testing at the practice level is being provided to ensure providers are getting paid for patients who walk in to their practices off the streets? (2) Steven Small asked how a dual eligibles will be processed and providers paid? Steven Small asked how dual eligibles will be processed? (4) Billy West shared insight on what the community stakeholders are saying about the Medicaid Transformation and Behavioral Health Services. Billy asked who is talking to sheriffs and county commissioners, and stakeholders about the real changes taking place? (5) Chairman Massey asked if the Department has clarity on the Behavioral Health rate tables? All questions led to lengthy discussions with responses from Jay Ludlam, Debra Farrington, and Dave Richard.

## NC MEDICAID BUDGET UPDATE

*Adam Levinson, Chief Financial Officer, NC Medicaid*

- Due to the State Budget situation, this year's Medicaid program is being implemented on last year's budget at this point. What this means is we are acting in good faith and that we will be funded for payment of the provider rate increases that we have already begun reprocessing.
- CAP/DA rates were increased as planned.
- Higher rates were implemented on July 1 for the LME/MCOs. The Department is moving forward with the new November rates and assuming we will get funding to support those activities.
- The Department is working on updating rates for all MCOs' activities and not only for the LME/MCOs, because of the shift to the February 1<sup>st</sup> statewide launch. We are engaging our actuaries on updating rates for what would have been the planned November rates.
- The Department is moving forward with some significant procurements in order to go live on February 1, 2020. Again, we are acting in good faith that the General Assembly will provide the funds needed, Adam said.
- Chairman Massey asked if a slide deck was prepared for how we finished last fiscal year.

## FEDERALLY QUALIFIED HEALTH CENTERS (FQHC) UPDATE

*Jean Holliday, Senior Program Manager, NC Medicaid*

- Jean's presentation included highlights on the following:
  - Provider Contract Templates and Payment Provisions
  - Federally Qualified Health Centers (FQHC) Payment Provisions from PHP Contracts -- the PHP shall reimburse FQHCs and RHCs for covered services at no less than the following rates:

- a) All ancillary services need to be based on the NC Medicaid Physician Fee Schedule
- b) Core services are based on each FQHC or RHC's respective NC Medicaid Fee Schedule, which is defined as the respective core rate or T-1015 code.
  - o Review of PHP Provider Contract for FQHC Related Payment Provisions
  - o Contracting as Reported by PHPs
- Kim Schwartz commented that there is not specific language in any of the contracts addressing integrated behavioral health to protect that component. It is really essential that the integrated language for Behavioral Health be defined in the provider manual. There is a sixth provider manual and we are not sure if the Department has reviewed it. Kim asked for clarity on the Additional Utilization-based Directed Payments (ADUPs). Jean addressed Kim's comments on the integration of behavioral health language. Adam Levinson provided clarity on ADUPs.

#### ACCESS MONITORING REVIEW PLAN (AMRP) UPDATE

##### *Terri Pennington, Business Information Office (BIO), NC Medicaid*

- o Terri apologetically informed the Committee that the final Access Monitoring Report (AMR) is not available as promised. It is under review by the BIO team. The report has been cut about 50% with less reading and more graphs. The draft AMR Draft will be available on October 11, 2019.
- o Terri provided a brief overview of the report's contents and stated that adult enrollments have increased; however, visits to PCPs, general surgeons, and neurologists decreased. We are seeing a dilutional affect might be in play here. With the dilutional affect, we are seeing equal enrollment but at the same time, we are seeing people drop off. As new people enroll, Medicaid beneficiaries also drop off. Adult utilization also went down a bit. There was a hemophilia rate reduction some time ago. Services for folks needing hemophilia medications has not decreased but have remained constant. Behavioral health is not addressed in this report. CMS has requested that we include managed care and behavioral health in future AMR reports.
- o Dave Tayloe restated, enrollment went up and visits went down. Is there any possibility that it may be due to reduced access because the reimbursement rates when down? Billy West inquired about Emergency Departments' utilization. In response to both questions, Terri stated that the AMR report did not drill down to these levels. Chairman Massey commented to Terri that some of the thoughts she is hearing may be valuable in future rendition of the report, and the Committee is interested in seeing the draft report.

#### DIRECT CARE WORKER CRISIS UPDATE

##### *Adam Scholar, President & CEO, NC Health Care Facilities Association*

- Adam Scholar presented an update on the Direct Care Workforce Crisis on behalf of MCAC Member, Ted Goins.
- Highlights included an overview of the Direct Care Workforce Crisis Work Group Meeting held on August 28, 2019 with representation from various aspects of direct care. Discussions included the shrinking pool of direct care workers and the growing need to address the issue. The workgroup talked through and identified some areas where they hope to continue trying to make a difference going forward.
  - o Regulatory reform
    - The workgroup is encouraging the Board of Nursing and the NA Registry to adopt reciprocity and have received openness to support the conversation.
    - Testing in multiple languages
    - Active recruitment by providers of North Carolina from Puerto Rico and outside the U.S.
    - North Carolina has a Civil Money Penalty (CMP) fund. When participating Medicare and Medicaid providers are assessed a civil penalty through an enforcement action, that money is deposited into the CMP Fund and is pooled and reinvested to improve the quality and care of the residents in that particular setting. NCHCFA and the LeadingAge NC is submitting a CMP grant application to CMS asking for a large award that would be designed over a three-year period to add about 4,000 nurse aids to the labor pool in North Carolina. The funds will also be used towards the costs of education and testing for those individuals. The grant was approved in Wisconsin and has proven successful. President Peter Hans, North Carolina Community College System (NCCCS) and Senator Thom Tillis have written letters of support as well as NC Medicaid Deputy Secretary, Dave Richard. We have gotten lots of support from our stakeholders and a number of personnel operating companies in North Carolina. The application must be submitted within the next thirty days.

- Upward wage pressures for direct care workers
- The Direct Care Workforce Crisis Group will meet again in December 2019.
- Gary Massey opened the floor for questions.
- Kim Schwartz thanked Adam Scholar for his report and the good information. Kim asked what is being done to create pipelines and helping to identify younger workers. Adam replied, the HOSA program is very actively in high schools across the State. We are seeing more individuals completing CNA training as a part of that high school curriculum before they get to a community college setting. With this grant, we are trying to raise the awareness of this organization. Kim Schwartz suggested that Adam connect with AHEC.
- Chairman Massey asked for clarification on CMS' formal grant consideration process and control of the CMP funds. Adam provided clarity and stated CMS does control the funds and because the funding is derived from nursing facilities, it has to be reinvested in nursing facilities. This grant that will focus on one portion of the crisis in nursing home settings.
- Chairman Massey asked if there is a similar pool of money somewhere else for other providers facing penalties? Adam was not aware of any. Chairman Massey stated he would love for the MCAC to take action in support of the CMP grant as well. A motion was made and seconded that the MCAC provide a letter of support for the CMP grant application and let it be reflected in the minutes.

#### PUBLIC COMMENTS

##### *Kristen Dubay, NCCHA, made the following comments:*

- Kristen commented on the case of Optum BH serving as the entity behavioral health entity on behalf of UHC. If they are receiving claims and processing payments, she believes it is appropriate for the Department to review their materials to make sure they are meeting all prompt payment requirements and such from the RFP, as well as reviewing and approving their provider manual which is separate and distinct from the United provider manual.
- Kristen thanked Debra and others for working on the website/directory. Kristen expressed concern for beneficiaries using the website, that they will not be able to check if their specialist is in network with the Plan they are considering.
- Kristen provided comments on Jean Holliday's presentation that plans also have to offer directories that are not limited by search functions that apply to EB directories. Those should all be publicly available.

##### *Jeff Horton, North Carolina Senior Living Association, made the following comments:*

- Jeff commented, as his association read through the updates on the Medicaid Managed Care provider directory, they had some concerns. Apparently, when a Medicaid beneficiary is choosing a primary care physician, the only choice they are provided in the provider directory is for a physician located in the county where they are living. There are several physician practices that come into adult care home facilities and provide onsite primary care services for the residents that choose them to do so. While the physical practice location of the primary care practice may be in Durham, i.e. Doctors Making House Calls, they have physicians working for them that provide this service all over the state. The way the provider directory is currently set up, a resident in an adult care home in New Hanover County, who uses Doctors Making House Calls, would be unable to locate their current physician, because the primary care doctor only shows up in Durham County.
- We checked on the app to see if this is indeed how it shows up and looked at several of the physician practices that do this and it is. This is very common across the adult care home industry and is going to cause challenges if a resident cannot locate their current provider in the county in which they live.

#### CLOSING REMARKS

- Chairman Massey thank everyone for their participation. The next meeting will be held via teleconference on Friday, October 18, 2019.

MEETING ADJOURNED