

MEDICAL CARE ADVISORY COMMITTEE (MCAC) MEETING MINUTES
December 14, 2018

NCSU McKimmon Center, 1101 Gorman Street, Raleigh, NC
Teleconference: 919-662-4658

The Medical Care Advisory Committee (MCAC) met via teleconference on Friday, December 14, 2018 (9:00 a.m. – 12:00 noon) at the NCSU McKimmon Center.

ATTENDEES

MCAC Members: Gary Massey, MCAC Chairman, Marilyn Pearson, MCAC Vice-Chairman, Kim Schwartz, David Tayloe, Benjamin Smith, Polly-Gean Cox, Ivan Belov, Chris DeRienzo, Billy West, C. Thomas Johnson, III, Ted Goins, Benjamin Koren, Jenny Hobbs, Samuel Clark

MCAC Members via Telephone: William Cockerman, Linda Burhans, Duncan Sumpter, Paula Cox-Fishman

MCAC Interested Parties: Brian Perkins, Tracy Colvard, Ann Rodriguez, Monique Mackey, Valerie Arendt, Greg Griggs, Gardner Culpepper, Ames Simmons, Sharon Evans,

MCAC Interested Parties via Telephone: Sarah Pfau, Benjamin Money, Mark Fuhrmann, Tara Fields

DHB Staff: Jay Ludlam, Debra Farrington, Roger Barnes, Terri Pennington, Adam Levinson, Deb Goda, Bert Bennett, Gretchen Aycock, Pamela Beatty, Betty Staton, Sharlene Mallette

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. Pamela Beatty declared a quorum. Chairman Massey welcomed and thanked everyone for their participation. Chairman Massey called for a motion to approve the October 18, 2018 MCAC Meeting minutes. The minutes were approved by the Committee.

OPENING REMARKS:

Jay Ludlam, Assistant Secretary, NC Medicaid

- Jay Ludlam expressed regrets on behalf of Dave Richard, Deputy Secretary, DHB, who could not be in attendance today.
- Roger Barnes shared that the Division has been very busy with several projects, i.e. getting a new budget in place and working with the legislature. Roger stated that we are in a good position right now and ended the last State Fiscal Year (SFY) on a good note.

MEDICAID BUDGET UPDATE:

Roger Barnes, Chief Financial Officer, NC Medicaid

- Roger stated NC Medicaid enrollment has increased from October 2017. As of October 2018, enrollment was at 2.071 million -- 2.8% higher because of a significant increase in family planning. A decrease was noticed in the following groups: MQB-E, Aged/Blind/Disabled, MCHIP, MIC, AFDC Under 21, AFDC Over 21. Those beneficiaries are aging out and moving into other categories.
- NC Medicaid enrollment's forecast versus actual comparison has tracked roughly in line with the Division's expectation to date. The Division is preparing a 7-year forecast report for the General Assembly.
- Total Medicaid expenditures/claims activity were \$167.3m higher vs. the prior year, October 2017. Hospital and Skilled Nursing claims were slightly higher. Physician and Pharmacy claims were down. Pharmacy claims were because of rebates.

- Follow-up questions and comments regarding the Budget Update were posed by Chairman Massey, Chris DeRienzo, Billy West, Kim Schwartz, and Dave Tayloe, which were addressed by Roger. Roger will follow up with Kim Schwartz regarding her question pertaining to 340B Pharmacy Contracting/Covered Entities which is happening across the country and is a major concern. Kim wanted assurance that Medicaid is aware of this.
- Total Medicaid expenditures were \$74.2m or 1.4% favorable to the authorized budget. Large areas of decrease were in Skilled Nursing Facilities and Pharmacy. Hospitals and Physician claims are above what we forecasted. Consolidated Hospital Payments were more this year. We are working with CMS to make changes on previous year plans. Cost Settlements were higher, while Capitation, Premiums are down.
- The Medicaid program is to operate within its resources on all funds. Federal Revenues are up by 0.3% which included supplemental payments. Other revenues such as rebates increased by 13.8%. Year to date through October 2018, we are about \$154m or 11.1% favorable to our authorized budget.
- Our current State/Federal match is about 67%. The federal match decreased and will decrease again in October. The federal participation rate is dependent upon unemployment. CHIP Title 21 is close to 100% and will drop by 11%. The Medicaid budget will end on a positive note, Roger stated.
- Chairman Massey commented on provider rates and challenged the Department to increase rates for the provider communities. Per request from Chairman Massey, Roger introduced Adam Levinson as the new Deputy Finance Director, DHB. Adam has lots of experience in state government and has worked with Federal Research Development (FRD) which is the Senate's financial analytic arm. Roger stated that with Adam's experience, he will help the Division considerably. In closing, Roger shared that he will be retiring at the end of June 2019.

MEDICAID TRANSFORMATION UPDATE:

Jay Ludlam, Assistant Secretary, NC Medicaid

- Jay provided a high-level overview on the following items:
 - **NC Medicaid's Vision and Background:** The organizing principle for DHHS and NC Medicaid is to improve the health of North Carolinians through an innovative, whole-person centered, and well-coordinated system of care that addresses both medical and non-medical drivers of health. This is a beneficiary focused vision statement, but the providers are absolutely in our considerations as we develop and transform Medicaid, Jay stated.
 - The Department is working extensively with clinicians, hospitals, beneficiaries, health plans, elected officials, advocates and other stakeholders to shape the Medicaid program.
 - NC Medicaid's commitment is to: (1) provide a creative and innovative, integrated, and well-coordinated system of care; (2) support clinicians and beneficiaries after transition; (3) promote access to care, quality and value.
 - **Milestones for Implementing Transformation:** The 1115 Waiver approval was an important milestone and is a component of the Medicaid Transformation, that gives flexibility that we do not have under the Medicaid State Plan. The Waiver provides the Department with the authority to move into managed care. We are continuing to engage CMS.
 - **1115 Waiver Approval and its key provisions:**
 - **Behavioral Health Integration and Tailored Plans:** During early summer, the Division received legislative authority to move forward with Standard Plans and Tailored Plans.
 - Tailored Plans consist of more intensive behavioral health benefits that are not available in Standard Plans, and will provide integrated physical, behavioral and pharmacy benefits to people with serious mental illness, emotional disturbance, substance use disorder, intellectual/developmental disability or a traumatic brain injury.
 - Beneficiaries' care management will be provided through a specialized behavioral health home model. **Thomas Johnson** followed up with a question pertaining to the LME contract arrangements with the LMEs under the Medicaid Transformation model? Jay responded that the Department and the Tailored Plan Design team is currently working through this concern. **Kim Schwartz** commented that the transitions of care and reimbursement of care between the Standard Plan and Tailored Plan is a concern she has heard across the system. Kim asked the Department to "put teeth to transition of care in the model of the MCOs." Jay

stated that the Division has workgroups that are focused on the Standard Plan/Tailored Plan transition.

- The approval of the Tailored Plans will support our goal to provide managed care beneficiaries access to coordinated care and benefits through one managed care plan, and to ensure that those with serious behavioral health conditions get the care they need.
- **David Tayloe** commented that there is a shortage of mental health services for children with autism, intellectual disabilities, and complex medical conditions in rural areas. David asked how are we going to ensure network adequacy for these patients? **Jay** replied that efforts are being made to address this concern, as well as to determine what strategies the health plans will use to meet the beneficiaries' needs.
- **Marilyn Pearson, MCAC Vice Chairman**, followed up on David Tayloe's comments and asked if it would be an issue for individuals with complex conditions, who qualify for tailored plans, to remain with a provider who is not a part of a tailored plan? **Debra Farrington** stated that the Division has a disenrollment program in place and its focus/ goal is continuity of care. Individuals who are currently getting services will continue to receive those services. There are provisions in Standard Plans that protect people's ability to get services they need when they have complex medical issues. **Kim Schwartz** added that the regions are a major issue, and asked Jay to talk about the regions. Are the MCO regions and Tailored Plan regions going to be the same? Chairman Massey asked that the Tailored Plans discussion be deferred to a future meeting when the right people are in the room. **Kim Schwartz** commented on tele-medicine and specialty providers. Kim recommended that the Department encourage the legislature to expand reciprocity to licensed professionals outside the state. The issue is not a shortage, but a distribution issue. We need to stop studying it and just do it.
- **Jenny Hobbs** commented on the LME/MCOs tailored plan partnership with one PHP and its restrictions on medical providers for individuals with significant behavioral health and complex medical needs. **Jenny** recommended they be required to partner with at least one PLE and one statewide PHP or give beneficiaries a choice of health plans. **Debra Farrington** stated that a proposal to establish a Behavioral Health/IDD MCAC Subcommittee will be discussed later in the meeting.
- **Opioid Strategy:** The Department's goal is to increase access to inpatient and residential substance use disorder treatment, and to expand the substance use disorder service array to ensure access to the full continuum of services. **David Tayloe** asked if there are resources for neonatal abstinence syndrome? Jay stated the Department understands this subject needs to be looked at.
- **Healthy Opportunities Pilots:** These pilots were approved in the 1115 Waiver and will be implemented within Medicaid managed care in two to four regions to improve health and reduce health care costs. The Department has received lots of bipartisan support. CMS plans to use North Carolina as a pilot to demonstrate which social determinants work. **Billy West** stated it is exciting to see the Department working on social determinants and asked which regions will be piloted? Jay replied that a RFI on the pilots will be sent out in early January 2019. More information regarding the proposed regions will be provided in the spring. The pilot award will be in late fall. **Kim Schwartz** asked how can the State utilize the Health Information Exchange (HIE) more effectively? Kim requested that this be an item on a future agenda?
- **Budget Neutrality:** CMS requires that 1115 Waivers be budget neutral to the federal government. The Department cannot spend more than projected to spend without the waiver.
- **Key Milestones for Implementing Medicaid Transformation:**
 - PHP Award and Enrollment Broker Readiness (February – June 2019)
 - Open Enrollment (June – October 2019/September 2019 – January 2020)
 - Transition of Care (October 2019/January 2020: transmitting data to the PHPs)
 - PHP go live and post go-live (November 2019/February 2020)
- **Pending Waiver Components:**
 - Uncompensated Care Pool for Tribal Providers. CMS did not approve this component.
 - Workforce

- Behavioral Health Home Capacity Building Funds important in our tailored plan model. We will be continuing discussions with CMS.
- **Next Steps in the RFP Award Process:** This item cannot be addressed now. The Department is seeking the most qualified health plans to work with us. We had eight submissions and is on target for awarding contracts in February 2019.
- **Legislative Changes to Launch Managed Care:** We are seeking a PHP Premium Tax. The Department is working with health care associations on the assessment and supplemental payments. Need technical changes to the 1915 (c) waivers which run concurrent with 1115 Waiver
- **Tailored Plan Design and Launch Timeline:** The Department will be engaged in intensive planning for both Standard Plans and Tailored Plan until early 2020.
- **Opportunities for Engagement:** The Department values input and feedback from stakeholders. As a part of our transparency commitment, we are holding monthly public stakeholder conversations, regular webinars, conference calls, meetings and conferences.

MCAC SUBCOMMITTEES UPDATE:

Debra Farrington, Senior Program Analyst, NC Medicaid

- Three MCAC Subcommittees are currently meeting:
 - **Beneficiary Engagement Subcommittee:** Began in April 2018 and met several times. This subcommittee has reviewed the PHP Model Handbook, which will be disseminated to the beneficiaries.
 - **Quality Subcommittee:** Began in April 2018 and have met a few times. Quarterly meetings will begin in January 2019. This subcommittee is reviewing our quality strategies, EQRO requirements for plans, Accreditation, and Measure specifications.
 - **Provider Engagement & Education Subcommittee:** Met in October & December 2018 and have reviewed our Provider Education and Engagement Plan. Provided specific feedback to our staff and vendors on that plan.
 - Subcommittee Co-chairs, Jenny Hobbs, Marilyn Pearson, Samuel Clark, Thomas Johnson provided positive feedback to the group on how things are going.
 - Chairman Massey requested that the Provider Engagement & Education Subcommittee present to the full MCAC on educational and policy objectives at a future meeting.
- **Department's Recommendation to establish the Behavioral Health/IDD Tailored Plan Subcommittee**
 - This subcommittee is time limited and will commence in early 2019. It will review the standards for Tailored Plans, including the roll out schedule.
 - Debra stated that an additional MCAC Co-Chair is needed for this subcommittee. Billy West accepted Chairman Massey's request to co-chair this subcommittee. A proposed list of members for this subcommittee was presented for the MCAC's approval. Dave Tayloe suggested adding a primary care provider association to the list of representatives. All agreed.

ACCESS MONITORING REVIEW PLAN

Terri Pennington, NC Medicaid

- Access Monitoring Review Plan due to CMS October 1, 2019
- CMS has provided technical specifications and a template for access reporting. The current report will be updated to reflect the technical specifications.
- An Executive Summary for the 2018 report will be provided to MCAC at the March 2019 meeting
- Roger Barnes reminded the group that the NC Medicaid Data Analytics Team has posted a tremendous amount of statistics, i.e., dashboards, financial reports, and utilization reports on the NC Medicaid web page.

DIRECT CARE WORKFORCE CRISIS UPDATE

Ted Goins, MCAC Member

- As a follow-up to previous MCAC discussions pertaining to the Direct Care Workforce Crisis, the first Direct Care Workforce Crisis Summit meeting was held on Friday, October 19, 2018. Representation consisted of a broad group of providers, advocacy groups and academia.

- Three subcommittees were established to discuss major concerns for the direct care workforce.
 - Sustainable Reimbursement Subcommittee
 - Regulatory Subcommittee
 - Workforce Development Subcommittee
- Follow-up summit will take place in January 2019 to continue discussions.
- Direct Care Workforce Crisis is becoming a national issue. Staff challenges was recently on the cover of a national provider magazine, Ted stated. The Paraprofessional Healthcare Institute (PHI) just did a study on nursing assistants in the United States. Ted Goins stated that he is going to keep beating this drum.
- Kim Schwartz asked if there was any discussion pertaining to the workforce equality issues, i.e., living wage component, racial, geographic, and demographic structures. Ted responded, yes.
- Chairman Massey thanked Ted for keeping us informed and wants this conversation to continue.
- Chairman Massey asked that the MCAC's continued favor of the Medicaid Expansion be on record and reflected in the MCAC meeting minutes. All were in favor.

PUBLIC COMMENTS

- Ann Rodriguez (i2i Center for Integrative Health) thanked everyone who participated in their recent conference. Stated that one primary focus was on making sure that information is getting out to Behavioral Health/IDD public sector providers.
- Based on the discussions here today, it is clear the provider group is really going to be impacted by the changes that are taking place. It is not just Medicaid Transformation, there is so much going on for providers. All of it are tremendous opportunities for our system to change and focus on the whole person care, said Ann Rodriguez.
- Chairman Massey commented that he attended the conference and walked away thinking we do need more provider education. Chairman Massey thanked Ann for her comments.
- Debra Farrington expressed appreciation to i2i for adding a session during their conference for NC Medicaid to give information about the Behavioral Health/IDD Plan design process, and for us to hear from providers about their priority areas of concern. We want to partner with i2i and MCAC members in this room to make sure we are providing education, as well as to support them through this transition.

CLOSING REMARKS

- Chairman Massey directed the members' attention to the MCAC 2019 meeting schedule in their packets and to the MCAC membership list with upcoming term expirations. Asked members that are interested in reappointment to coordinate with Pamela Beatty.
- Reminded members to return the additional documents (passports or security and driver's license) to comply with the IRS Ruling on State Boards and Commissions to Pamela Beatty, as well.
- Chairman Massey presented future meeting topics:
 - Casey Cooper has requested a discussion around Tribal looking at their options for Medicaid Managed Care. There is anxiety around the work requirements. Casey would like to raise the bar around that issue and how it can potentially impact the Tribal members for him, as well as other populations within that group.
 - 340B Pharmacy Contracting/Covered Entities
 - Health Information Exchange
 - Tailored Plans
 - Capitation Rate Setting and Provider Rates
 - Provider Rate Increases

MEETING ADJOURNED