WRITTEN SECTION REPORTS

REPORT PERIOD DECEMBER 1, 2023 – FEBRUARY 29, 2024

1. Policies Presented to the N.C. Physician Advisory Group (PAG)

The Pharmacy & Therapeutic Committee met on 01/09/2024 and 02/13/2024
The N.C. Physician Advisory Group met on 12/07/2023, 01/25/2024, and 02/22/2024

Recommended Clinical Coverage Policies

- 1S-4 Genetic Testing (Terminate Policy) 01/09/2024
- 1S-5 Genetic Testing for Susceptibility to Breast and Ovarian Cancer (BRCA)
- (Terminate Policy) 01/09/2024
- 1S-7 Gene Expression Profiling for Breast Cancer (Terminate Policy) 01/09/2024
- 1S-9 Genetic Testing for Diagnosis and Treatment (New Policy) 01/09/2024
- 1S-10 Genetic Testing- Carrier and Prenatal (New Policy) 01/09/2024
- CCP 1S-11 Genetic Testing- Gene Expression (New Policy) 01/09/2024
- CCP 1S-12 Genetic Testing- Next Generation Sequencing (NGS) (New Policy) 01/09/2024
- 10A Outpatient Specialized Therapies

Recommended Pharmacy Criteria

- Prior Approval Criteria- Triptans-12/07/2023
- Prior Approval Criteria- SGLT2 Inhibitors and Combinations-12/07/2023
- Pharmacy Preferred Drug List Review Panel Guidelines and Procedures-12/07/2023
- Prior Approval Criteria- Movement Disorders-01/25/2024
- Prior Approval Criteria- Growth Hormones-01/25/2024
- Prior Approval Criteria- Monoclonal Antibodies-01/25/2024
- Outpatient Pharmacy Policy #9- 02/22/2024
- Pharmacy PDL Quarterly Changes- 02/22/2024
- Prior Approval Criteria- GLP-1 Receptor Agonists and Combinations-02/22/2024
- Prior Approval Criteria- Opioid Dependence Therapy Agents-02/22/2024

PAG Notifications

- 10A, Outpatient Specialized Therapies, Adult Visit Limit – 2/22/2024

2. Items Posted for Public Comment

Pharmacy PA Criteria Posted for Public Comment

- None

Clinical Coverage Policies Posted for Public Comment

- 5B, Orthotics & Prosthetics 02/12/2024 03/28/2024
- 8D-3, Clinically Managed Low-Intensity Residential Treatment Services (New Policy) 02/22/2024 - 04/07/2024

- 8D-6, Medically Monitored Intensive Inpatient Services (New Policy) 02/22/2024 - 04/07/2024
- 8D-4, Clinically Managed Population Specific High-Intensity Residential Program (New Policy) 02/22/2024 - 04/07/2024
- 8D-5, Clinically Managed Residential Services (New Policy) 02/22/2024 - 04/07/2024

3. Posted to Medicaid Website

New or Amended Policies Posted to Medicaid Website

- 1T-2, Special Ophthalmological Services - 01/15/2024
- 5A-3, Nursing Equipment and Supplies - 1.15.24
- 8H-4, 1915(i) Respite - 02/01/2024
- 1A-26, Deep Brain Stimulation - 02/15/2024
- 1E-2 ,Therapeutic and Non-therapeutic Abortions - 02/15/2024
- 1K-2, Bone Mass Measurement - 02/15/2024
- 3G-1, Private Duty Nursing for Beneficiaries Age 21 and Older - 02/15/2024
- 3G-2, Private Duty Nursing for Beneficiaries Under 21 years of Age - 02/15/2024

New or Amended PA Criteria Posted

- Prior Approval Criteria- Epinephrine Auto-Injectors (Pens)- 01/01/2024
- Prior Approval Criteria- Leqembi- 01/01/2024
- Prior Approval Criteria- Migraine Calcitonin Gene-Related- 01/01/2024
- Prior Approval Criteria- Monoclonal Antibodies- 01/01/2024

4. Durable Medical Equipment and Supplies, and Orthotics & Prosthetics (DMEPOS)

A. DME policy 5A-3, Nursing Equipment and Supplies described in the 9/15/2023 update, promulgated 1/15/2024 with an effective date of 12/1/2023. For details please see the Medicaid Bulletin article here: https://medicaid.ncdhhs.gov/blog/2024/02/09/updates-clinical-coverage-policy-5a-3-nursing-equipment-and-supplies

B. DME policy 5B, Orthotics and Prosthetics is being amended with proposed updates as follows:

- In subsection 5.3.3, medical necessity criteria for cranial remolding orthoses are being updated to align with current standards of practice
- In Attachment B, lifetime expectancies/quantity limits corrected for diabetic shoes and inserts coded A5500 - A5507. CP and BOCP credentials were removed from codes L3300, L3310, L3320 and L3330
- Hyperlinks and grammar corrected throughout
- Approved by PAG committee 12/7/2023
- Currently posted for public comment through 3/28/2024: https://medicaid.ncdhhs.gov/meetings-notices/proposed-medicaid-policies

C. CMS annual HCPCS code update in progress:

- Policy 5A-3, K1005 end-dated and replaced with A4287
- Policy 5B, A6531 revised and replaced with A6552; A6532 revised and replaced with A6554; A6545 revised and replaced with A6583; K1022 end-dated and replaced with L5926

5. Outpatient Specialized Therapies/Local Education Agencies (LEAs)

- 10A, Outpatient Specialized Therapies policy is progressing through the policy development process to update to the adult visit limit that was required by CMS for Medicaid Expansion. PAG Notification was presented 2/22/24.

When this policy update posts for public comment, it will be available here: https://medicaid.ncdhhs.gov/meetings-notices/proposed-medicaid-policies.

- State Plan Amendment for adult therapy visit limit was approved by CMS on 11/28/23.
- 10A, Outpatient Specialized Therapies policy update and state plan amendment work has begun to remove the restriction on individual practitioner providers that limits them to provide therapy services only to EPSDT eligibles.
- 10B, Individual Practitioners policy will terminate if the above change to 10A and state plan amendment is approved by our governance process, CMS and PAG recommendation. The removal of age restriction on this provider type would cause 10A and 10B to be duplicative. 10A would be the standing outpatient specialized therapies policy covering all provider types.

6. Behavioral Health/IDD Section

- 1915(i) Respite Policy - Technical change to correct HCPC modifiers promulgated/posted to the DHHS website on 2/1/2024.
- CCP 8A-12 Substance Abuse intensive Outpatient Program (SAIOP) – Public comment period ended on 02/06/2024. Public comments were reviewed and the proposed policy updated based on public comments.
- CCP 8A-13 Substance Abuse Comprehensive Outpatient Treatment (SACOT) – Public comment period ended on 02/06/2024. Public comments were reviewed, and the proposed policy updated based on public comments.
- CCP 8D-3 Clinically Managed Low-Intensity Residential Treatment Service – Policy posted for 45-day public comment on 2/22/2024. The public comment period ends on 04/07/2024.
- CCP 8D-4 Clinically Managed Population Specific High Intensity Residential Programs draft– Policy posted for 45-day public comment on 2/22/2024. The public comment period ends on 04/07/2024.
- CCP 8D-5 Clinically Managed Residential Services draft policy – Policy posted for 45-day public comment on 2/22/2024. The public comment period ends on 04/07/2024.
- CCP 8D-6 Medically Monitored Intensive Inpatient Services - Policy posted for 45-day public comment on 2/22/2024. The public comment period ends on 04/07/2024.

PROVIDER OPERATIONS REPORT

Provider Operations is responsible for the management and oversight of the enrollment, credentialing, and maintenance of approximately 115,000 NC Medicaid participating providers, the monitoring of provider related activities for twenty-three (23) vendors, and the development of a new Provider Data Maintenance/Credentialing Verification Organization system for provider enrollment. Following are the highlights of the work conducted by Provider Operations staff for this December 2023 –February 2024 reporting quarter.

Outreach and Education
The Medicaid Provider Ombudsman team received 924 cases directly through the Provider Ombudsman Listserv. The team responded directly to 262 of those and collaborated with the appropriate business owner, including the Prepaid Health Plans (PHPs), General Dynamics Information Technology/NC Tracks, or an operational unit within the Division of Health Benefits for the remaining cases. The Provider Ombudsman team offers updates to each business owner if a case has aged for 7 days or greater and monitors all open cases bi-weekly through closure. Trending inquiries continue to be related to Claims/Finance and Provider Enrollment.

Our NC Area Health Education Center (NC AHEC) provider engagement and technical support partners reported completing 4,390 contacts to primary care provider practices across the state during this reporting quarter.

Provider reverification activities, paused for over three years due to the federal public health emergency, were reinstated in May of 2023. A special effort to bring impacted providers current, those whose reverification was delayed, is nearing conclusion. As of the week ending February 23, 2024, a total of 17,998 reverification applications have been submitted of 24,331 initial provider notifications sent, representing a 74% response rate. Of those submitted, 78% have been approved, 2% denied, 10% withdrawn, 4% abandoned, and 6% remain pending. In addition, there have been 10,145 cumulative provider suspensions due to failure to submit a reverification application and 5,901 subsequent terminations. Provider Operations has partnered with all vendors to raise awareness of the requirement to reverify, publishing over 50 communications and completing targeted outreach as providers experience adverse actions.

Categorical risk level assignments for organizations enrolling as Skilled Nursing Facilities, Hospice Organizations, and Portable X-ray Suppliers will be updated to bring NC Medicaid into compliance with federal regulations set forward by the Centers for Medicare and Medicaid Services (CMS). Legislative changes are being proposed to North Carolina General Statute 108C-3 (Medicaid Provider Screening) to ensure our alignment with CMS. Additional publications are planned to inform the provider community as system changes are implemented.

Monitoring
Provider Operations has been actively involved in the following external audit activity during the timeframe of December 2023 – February 2024:

- SFY 2023 OSA Single Audit
    - (2) deliverables sent to the Auditor during this timeframe.

- SFY 2024 EAGLE Audit (Enhancing Accountability in Government through Leadership and Education)
    - (3) deliverables sent to the Auditor during this timeframe.
- 2019 Performance & SFY 2020 OSA Single Audits
    - (4) deliverables sent; input being provided to update SSPAFs (Summary Schedule of Prior Audit Findings) in order to close out the remaining open audit recommendations.
- PERM RY 2023 (Payment Error Rate Measurement)
    - (2) deliverables sent (response to CAP items submitted to OCPI/CMS)

Monitoring of NC Medicaid's provider enrollment vendor, as well as the performance of other vendors, contractors, and health plans was carried out in accordance with our Provider Operations' Monitoring Plan to ensure approved providers meet qualification requirements and ineligible providers are terminated in a timely manner. As part of this effort, Provider Operations monitored:

- 286 licensure disciplinary actions imposed by 19 N.C. licensure boards
- 428 notifications from four N.C. Divisions (Health Services Regulation, Aging and Adult Services, Social Services and Public Health)
- 50 notifications from the Centers for Medicare and Medicaid Services (CMS For Cause)
- 139 provider applications processed by our Fiscal Agent
- 56 monthly LexisNexis background checks

NC Medicaid must report certain provider termination action to CMS, the U.S. Department of Health, and Human Services (HHS-OIG) and the National Practitioner Databank (NPDB) in accordance with federal and state regulations. During this quarter Provider Operations, there were:

- 4 actions reportable to CMS
- 0 actions reportable to HHS-OIG
- 1 action reportable to NPDB

NC Medicaid's provider enrollment vendor is responsible for initiating provider screenings, site visits, and initial enrollment online training, which is conducted by Public Consulting Group (PCG). During this quarter, over 3,000 providers completed initial training, and over 800 site visits were conducted. Provider Operations monitored to ensure compliance with state and federal rule and regulations.

The Provider Operations' Monitoring Plan also requires management quality control review of monitoring activities conducted by its staff including, but not limited to the activities listed above. During this quarter, management reviewed 417 items.

Ongoing monitoring of the Standard Plans (SP) continues to ensure compliance with the contract and federal/state regulations with collaboration from the Managed Care Oversight team.

- The in-house report used to support the monitoring efforts for the PHP Provider Network Files (PNFs) continues to be utilized for validation of identified data errors, specifically with providers who are not active in Medicaid remaining on the PNFs for longer than 1 business day.
- Of the 4 Corrective Action Plans (CAPs) that were opened in March 2022 to address non-active providers who remain on the PHP PNFs for greater than 1 business day, only 1 SP has a CAP that remains open. The remaining SP was compliant in January, and, with 2 more months of

compliance, we will close their CAP as well. That SP continues to submit their self-audit to support compliance with this effort.

- There were 2 Standard Plans that had trending issues of non-compliance with sending Provider Welcome Packets to providers within 5 days of contract execution within the last reporting period and NODs are in process for failing to meet this SLA.
- The Provider Operations Managed Care team has been conducting monthly monitoring of the Standard Plans' electronic provider directories, and quarterly monitoring of the paper provider directories, to ensure compliance with accurate fields and provider data. Communications via the NC Medicaid Help Center have been conducted to ensure timely updating of accurate provider data.
- Additional monitoring processes and procedures were developed and went into effect this past quarter for PIHP Medicaid Direct and Standard Plan to ensure that the health plans are sending letters to providers following involuntary provider terminations that they initiate.
- Annual SP deliverables that came into PCDU (PHP Contract Data Utility) in July and are in the last stages of review and finalization by the Provider Operations team with support from other Business Units. The team meets bimonthly with all the Standard Plans for support and to address any questions.

For Behavioral Health and Intellectual/Developmental Disability (BH/IDD) Tailored Plan and Medicaid Direct LME/MCO (Prepaid Inpatient Health Plan, PIHP) managed care programs, the Provider Operations team:

- Continues to review and approve all Provider Operations deliverables, meeting bimonthly and individually with the Tailored Plans/PIHPs as needed, to assist with Provider Operations-related questions and issues that arise, as well as to provide technical support and guidance for the BH I/DD and Medicaid Direct contracts.
- On December 18, 2023, NCDHHS Secretary Kody Kinsley approved the consolidation agreement between Trillium and Eastpointe; the approval also included the consolidation of Eastpointe and Sandhills. Trillium assumed responsibility for all but three of the Eastpointe and Sandhills counties. LME/MCO Consolidation efforts became effective on February 1, 2024. After January 1, 2024, monitoring of provider data in Provider Operations was ceased for Sandhills and Eastpointe. PIHP Medicaid Direct monitoring procedures were updated in January to reflect these changes.
- Monitoring the PIHPs for the Medicaid Direct LME/MCO contract has gone well this quarter, with only one PIHP sending 1 Provider Welcome Packet more than 5 days after contract execution. The non-compliance was reported to Plan Administration and the Provider Operations team will be meeting with Plan Admin on potential next steps. Additionally, all PIHPs have remained in compliance with the requirement to have non-active NC Medicaid providers removed from their PNFs and networks within 1 business days of receipt of notice from the Department that the provider was terminated.
- The BH I/DD Tailored Plan Virtual Onsite Readiness Re-reviews will take place in March. The Provider Operations Session Guide has been updated and the team does not expect to uncover any significant issues with the four remaining Tailored Plans.

- The Managed Care team continues to work on the development, approval of, and revisions to, TP and PIHP Medicaid Direct Business Procedures and monitoring processes.

New PDM/CVO Solution

The Provider Data Maintenance/Credentialing Verification Organization (PDM/CVO) solution implementation project has the following updates:

- Several key issues were identified in the Project Plan which adversely impacted the project schedule. These include delayed completion of integration mapping and interface control documents (ICDs), security and user authorization, integration testing, and the need identified for more extensive end-to-end testing.
- CMS certification collaboration continues with research on various metrics & outcomes required of the new solution.
- Testing scenarios continue to be reviewed based on the high-level scenarios provided by the Department.
- During this quarter, Optum incorporated those additional requirements into their core product, and began conducting demonstration reviews with the Department.
- Optum and Department business units are collaborating to identify reports and dashboards expectations in the PDM/CVO system.

The Provider Operations Stakeholder team continues to offer educational opportunities to providers to learn about the new solution. Providers interested in learning more should contact Medicaid.PDMCVO.team@dhhs.nc.gov.