The Medical Care Advisory Committee (MCAC) met on Friday, December 2, 2016 at 9:00 a.m.

ATTENDEES
Members in Person: Gary Massey, Samuel Clark, David Tayloe, Polly-Gean Cox, Ted Goins

Members via Telephone: Kim Schwartz, Carol Yates Day, William Cockerman, Stephen Small, Derek Pantiel, Casey Cooper, Linda Burhans, Thomas Johnson, III, Paula Cox-Fishman

DMA Staff: Sandra Terrell, Roger Barnes, Jeff Horton, Sarah Pfau, Teresa Smith, Mary Rhodes, Tracy Linton, Pamela Beatty

MCAC Interested Parties: Holly Atkins, Stephen Cozzo, Tracy Colvard, Ben Money, Julia Adams Scheurich, Aidan Coleman, Lu-Ann Perryman

CALL TO ORDER
Gary Massey, MCAC Chair

- Gary Massey, MCAC Chair, called the meeting to order at 9:00 a.m. Welcomed and thanked everyone for their participation. Roll call of the members by Pamela Beatty; quorum declared.
- Chairman Massey asked for a motion to approve the September 16, 2016 meeting minutes. Ted Goins moved that the minutes be approved. Steven Small seconded the motion. The minutes were approved.

OPENING COMMENTS
Sandra Terrell, DMA Clinical Director

- Sandra Terrell commenced with remarks about the aftermath of the 2016 Elections related to Medicaid and healthcare in general. President-elect Trump wants to maximize States' flexibility to administer their Medicaid program. He is proposing that State Agencies experiment with innovations and look at other models to determine how to deliver healthcare more efficiently and cost effectively to low-income citizens as well as broaden the base of citizens we can serve.
- Highlighted President-elect, Donald Trumps’ appointment for key healthcare posts: Tom Price, Secretary of DHHS and Seema Verma, Head of CMS and Medicaid Services.
- We have heard Speaker Ryan talk about ‘A Better Way’ his 2016 plan prohibiting new Medicaid expansions after January 1, 2016 and proposing a phase down of the enhanced Federal match and giving it back to the States’ Federal share or the FMAP. He has also held discussions in this plan to look at per-capita allotments or block grants. Having per capital allotments will have stringent implications on the State and looking at how to manage within those caps, said Sandy.
- Sandy cautioned the group to monitor the appointments now that the CMS has been named. Watch for other cabin member appointments as well as Congress’ dialogue and interest on the topics of Medicaid Reform going forward.
OPENING COMMENTS
Sandra Terrell, DMA Clinical Director

- **Highlight of Activities on DMA and DHB to date:**
  - The Division of Health Benefits (DHB) was established out of Session Law 2015. All legislative requirements and deadlines were met. The Waiver was submitted for the new Division to CMS on June 1, 2016, with a few informal discussions with CMS since that period. CMS sent DHHS the “Completeness Letter” on June 16, 2016, prompting CMS’ 30-day public comments from June 20-July 20, 2016. Since July, the Department has had merit based employment discussions with CMS to position DHB and transition DMA to DHB effectively.
  - Continuing stakeholder meetings with the legislative driven Dual Eligible Advisory Committee. DHB’s long-term strategy report is due to the JLOC by January 31, 2017, based on results from the Dual Eligible Advisory Committee.
  - Recently engaged the NCIOM to help launch and facilitate a task force on healthcare analytics. That group will get started in January, 2017.
  - Division has hired a vendor, Manatt, to assist with the design of the 1115 Waiver.
  - We will continue to build the organization and the infrastructure needed to transition DMA to DHB. We will make sure MCAC is engaged throughout this entire process as the Advisory Committee to Medicaid.
  - The Division will collaborate with the Department of Insurance and other stakeholders on the PHP/health plan licensure as we move forward with Medicaid managed care.

**Questions/Comments from the MCAC**

- **David Tayloe** asked if the new CMS Administration would put the Waiver back at square one? **Sandy:** There is no indication that the new CMS leadership will change the NC Waiver submission. Federal policy may change how Medicaid is managed.

- **David Tayloe** asked for additional information about Manatt. **Sandy:** The Division identified various vendors through RFQs to submit proposals and oral presentations to the State. Work streams were created to select 2 or 3 vendors from a qualified pool for a second presentation on what their design would be. Manatt is a national company that has assisted multiple states on 1115 Waivers and very involved in community base services. Manatt was chosen based on its merit of what other states have successfully implemented.

- **Dave Tayloe** emphasized the importance of having some uniformity amongst PHP to avoid increasing the administrative burden on practices/organizations resulting in decreased access. **Sandy:** The Division continues to keep this in the forefront as it was heard loud and clear in the listening sessions. We will do everything we can to make it happen.

- **Chairman Massey** asked if there were members on the phone with questions or comments.

- **Kim Schwartz** shared that the Indiana model has reported successful work and with people getting access. Asked if the Agency had any experience with the Indiana plan? **Sandy:** The Division looked at multiple states; Indiana was one of them. We do not look to replicate as every State will require a plan to meet its own needs.

- **Paul Cox Fishman** asked if the Division is looking at a statewide vendor for the 1115 Waiver? **Sandy:** There will be up to three statewide commercial plans and the other aspect is the Provider Led Entities (PLEs) on a regional basis. **Paula** then asked if there is any thought of considering three statewide vendors for the Innovations Waiver? **Sandy:** Discussions have started regarding the final managed care rule, our existing waivers, and the future of managed care statewide. It not only affects Innovations but our CAPC, CAP/DA.

- **Trent Cockerman:** From the provider prospective, will there be reciprocal relationships if there is a beneficiary who lives in one county that is served by one of the plans and goes to another county to receive the services. How will that be articulated across the provider continuum? **Sandy:** We do not have a definitive answer. It is something on our board to address. We know now there are some constraints and we must make sure that reciprocity or relationship for continuative care does exist.

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Prepared by: Pamela Beatty, DMA Policy & Regulatory Affairs
• Chairman Massey asked if the Committee could receive a copy of the Indiana Waiver’s Executive Summary since it appears to the one of most interest. Sandy: As documents are formulated we can certainly share those with the Committee.

MEDICAID BUDGET UPDATE:
Roger Barnes, Deputy Director of Finance, DMA

• Currently, Medicaid is in a good position with its budget – forecast is through October 26, 2016. Medicaid Enrollment by program aid category indicated an enrollment increase. It continues to be in the AFDC under 21 years of age, which are the less expensive group. DMA is currently 7% higher this October 2016 compared to October 2015. The increase between September and October was about 17,000. Counties had a backlog of recertification applications causing the jump there.

• Dave Tayloe asked why is the enrollment is higher? Roger: Some children are moving over from NC Health Choice to the Medicaid program. Dave added that his practice see a lot of children who are eligible; but, not enrolled. Sandy added that is a challenge for DMA to identify those eligible; but, not enrolled.

• Comparison of the Medicaid enrollment forecast vs actual indicated that enrollment is in line with DMA’s expectations to date. Experienced an uptick over the last three months.

• Line item comparison of Medicaid expenditures revealed that 2017 actuals compared to 2016 actuals indicate that our total fee-for-service claims are down about 2.7%. We are about 6% below overall of our spending from this time last year.

• Line item comparison of Medicaid 2017 actuals vs our budget; total Medicaid expenditures are about 3% below/favorable to our authorized budget which is a good sign.

• Comparison of our actual cash position depicted our spending vs what we requested in our appropriations. The use of appropriations is down about $22M or 1.9% favorable to the authorized budget. The good news is that we have not used all the cash that was appropriated to us yet and it puts us in a favorable position at the end of the year.

LEGISLATIVE UPDATE
Sarah Pfau, Associate Director, Policy Regulatory Affairs, DMA

• Provided a high-level overview of DMA Specific Special provisions and Legislative reports that have been submitted. The reports went to the JLOC for HHS, Medicaid and Health Choice, as well as Fiscal Research Division of the General Assembly depending on the nature of the report. All are required by Legislation. Some are reoccurring reports; some are one time reports. Some going on for multiple years.

  o Medicaid Beneficiary Management Lock-in Program – Submitted September 30, 2016 to Joint Legislative Program Evaluation Oversight Committee
  o Behavior Health Clinical Integration and Performance Monitoring Submitted on September 1, 2016 to JLOC on Health and Human Services and Fiscal Research Division
  o Overpayments and Reporting on Prepayment Fraud submitted to JLOC.
  o Medicaid Coverage for School-Based Health Services submitted on November 1, 2016, to JLOC and FRD analyzing the fiscal impact to DHS and LEAs to add more Medicaid services to covered school based services
  o Study Innovations Waiver Waitlist: Requires the JLOC on Medicaid and NCHC to study causes and solutions, single stream funding, federal mandates regarding service coverage, including for the treatment of autism.
  o Evaluate Medicaid and NCHC Behavioral Health Provider Classification: Requires a legislative report to the JLOC on Medicaid and NCHC regarding the classification of HB agencies (excluding CABHAs).
**LEGISLATIVE UPDATE**
Sarah Pfau, Associate Director, Policy Regulatory Affairs, DMA

- Medicaid Eligibility Determination Timeliness submitted on November 1, 2016, to the JLOCs on Medicaid and NCHC, HHS, and FRD.
- Transfer of Certain Services to Eastern Band of Cherokee Indians submitted on December 1, 2016 (Quarterly submission).
- Medicaid Eligibility Determination Timeliness Report – Submitted on November 1, 2016 to the JLOC on Medicaid and NC Health Choice, HHS, and the Fiscal Research Division

- Sarah stated that the above reports are not posted on our website; however, they are public record and available upon request.
- There is no guarantee which special provisions and legislative amendments submitted by DMA will show up in any bills in the 2017 Session. Added that there may be more special provisions as the Session progresses.

**Questions/Comments from the MCAC**

David Tayloe asked who are the Behavioral Health providers who fall into that. **Sandy Terrell:** It encompasses most of our Behavioral Health providers. Nationally, Behavioral Health providers are at high risk. **Jeff Horton:** Added it includes those operating under general statute 122C that are licensed to provide mental health, developmental disabilities, and substance abuse services.

**MEDICAID ACCESS MONITORING REQUIREMENTS**
Jeff Horton, DMA Utilization Committee Chair

Jeff presented a brief update on the Access Monitoring Requirements

- Submitted the draft plan this year Spring/Summer 2016.
- Data done internally using data received from the NC Tracks date warehouse by the DMA Business Information office.
- Looked at provider trends utilization of services and services from a statewide rural and urban perspective to determine access to providers and utilization services.
- Draft plan posted to DMA website for a 30-day comment period, August 25-Sept 26, 2016. Received both negative and constructive feedback regarding the breakdown of services by age/disability group and other metrics.
- Submitted the plan to CMS on September 30, 2016; deadline was October 1, 2016.
- General impressions from the plan as that utilization of services down 2014 to 2015 for most services including primary care and home health services. No increase in emergency room visits or inpatient hospital admissions.
- Currently re-running data on a quarterly basis to identify trends of enrollment and utilization services.
- Reminder the Access Monitoring Plan is only for Medicaid fee for service services not for managed care or NC Health choice services.

**Questions/Comments from the MCAC**

- **Gary Massey, MCAC Chair** asked how does this plan impact home health individuals who are dual eligible that shift out of Medicare and never kick back to Medicaid? **Jeff:** The plan excludes dual eligible from our data because it would not give an accurate Medicaid fee for service.

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Prepared by: Pamela Beatty, DMA Policy & Regulatory Affairs
• **Sarah Pfau**: Are we collecting data from Medicaid enrolled providers regarding their total percentage of Medicaid client population and the average number of Medicaid beneficiaries per provider. **Jeff**: Not surveying providers at this point. We do have the survey of Consumers Assessment of Health Plans (CAP) which is a federal requirement for some of our services. Currently looking for a vendor for calendar year 2016 to pull a random sample of beneficiaries via mail-in and phone surveys.

**DHB/NC Medicaid Reform Update**

• Sandy Terrell presented a high-level update on the Medicaid Transformation Project
• Dual Eligible Advisory Committee will provide final recommendations due to the Department to report back to the General Assembly.
• Task Force on Health Care Analytics -- NCIOM will begin work on December 17th and ongoing during calendar year 2017.
• Project Management – Deloitte is the vendor to oversee the scale of concurrent projects until waiver approval and implementation.
• Manatt is the vendor in charge of the program design and engagement of various stake holders and advisory groups starting in January 2017.

• Technology Requirement spans the entire length of the program until we go live. Will look at the design from a macro and drill into the design of the 1115 waiver program technology.
• We are entertaining proposals for (1) organizational design and transition (2) actuarial support, NC Health Transformation Center Development, Procurement, Contracting & Morning, PHP Readiness Assessment.
• Division of Health Benefits (DHB) has 14 full-time staff members. They are looking at hiring a Sr. Technology staff member as we move into the technology assessment. Reminder, DMA is still the operating arm for Medicaid. DHHS is the Single State Operating agency for NC. DHB will become the operating arm once we move in to this plan and DMA goes away.
• Sandra Terrell introduced Angela Diaz, Chief Operating Officer and Sr. Operations Manager.
• Angela Diaz recapped some of the above. Provided an overview of the DHB organization chart.
• DHB is launching a taskforce on health care analytics with NCIOM on December 17th. Preparing our report from the Dual Eligible Committee for long-term strategy to transition that population in the capitated system. We will continue to negotiate with CMS and build the organization for the Medicaid Reform.
• Lastly, collaborating with the Department of Insurance and other state holders on PHP licensure. None of this work can be done without the collaboration to DMA, DHB and our other sister agencies and stakeholders. That is a collaborative effort and is what has brought us to our success to date.

**PUBLIC COMMENTS**

Gary Massey, MCAC Chair, opened the meeting for public comments. There were none.

**CLOSING REMARKS**

• Derick Pantiel reminded the committee members to keep in mind the legislative agenda items and to make sure they contact their congressional members regarding the issues we have on our platform.
• Gary Massey, MCAC Chair, reminded the committee of the future MCAC meeting dates in their packets and to mark their calendars. The next meeting will be March 24, 2017.

**MEETING ADJOURNED**

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