MCAC Medicaid Transformation

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Medicaid Transformation: Detailed Design for Medicaid Managed Care

• “North Carolina’s Proposed Program Design for Medicaid Managed Care”
• Released Aug. 8, 2017
• Presents Department’s vision for managed care
• Developed with significant stakeholder input received over the past year, including public input sessions in April/May 2017
• More details than broader Section 1115 waiver submitted to CMS in June 2016
• Drafted with health care professionals in mind
• Opportunity to comment on the proposed design through Sept. 8
Vision and Goals

• SL 2015-245, as amended by SL 2016-121, directed transition from fee-for-service to managed care for Medicaid and NC Health Choice programs

• Vision
  − High-quality care
  − Population health improvement
  − Provider engagement and support
  − Sustainable program with predictable cost

• Broad aspects of the transition to Medicaid managed care
  − Focus on integration of services for primary care, behavioral health, intellectual and developmental disorders, and substance use disorders
  − Address social determinants of health (unmet social needs and their effect on health); e.g., employment, housing, food
  − Support beneficiaries and providers during transition
# Medicaid Managed Care Already Exists in NC

<table>
<thead>
<tr>
<th>What North Carolina Has Now</th>
<th>What Managed Care Will Bring</th>
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<tbody>
<tr>
<td>• PRIMARY CARE CASE MANAGEMENT (CCNC)</td>
<td></td>
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<tr>
<td>– Primary care provider-based</td>
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<tr>
<td>– State pays additional fee to provide care management</td>
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<tr>
<td>• PACE</td>
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<tr>
<td>– Comprehensive, capitated</td>
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<tr>
<td>– 55 years old and older</td>
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<tr>
<td>– Available in certain areas, not currently statewide</td>
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<tr>
<td>• LME/MCOs (BEHAVIORAL HEALTH PREPAID HEALTH PLAN)</td>
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<tr>
<td>– Cover specific populations and specific services</td>
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<tr>
<td>– Provides care coordination for identified and priority groups</td>
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• MCOs will take two forms:  
  – Commercial Plans  
  – Provider-led Entities  

• Participating MCOs will be responsible for coordinating all services (except services carved out) and will receive a capitated payment for each enrolled beneficiary.
Excluded Populations

- Individuals dually eligible for Medicaid and Medicare
- Populations with short eligibility spans (e.g., medically needy and populations with emergency-only coverage)
- Enrollees with periods of retroactivity and presumptive eligibility
- Health Insurance Premium Payment (HIPP) beneficiaries
- Program of All-inclusive Care for the Elderly (PACE) beneficiaries
- *Family planning
- * Prison inmates

*not in original legislation, will require a statutory change
Background-Session Laws 2015-245 & 2016-121
Services carved out of Medicaid managed care

- Dental
- Services prescribed by Local Education Agency (LEA) services
- Services provided by Child Development Service Agencies (CDSAs)
- Eyeglasses and provider visual aid dispensing fee*

*not in original legislation; exclusion of dispensing fee will require enabling legislation
Background - Session Laws 2015-245 & 2016-121

Other Provisions

- Timing: Go live within 18 months of CMS approval
- Prepaid health plans
  - 3 statewide MCOs (commercial plans)
  - Up to 12 PLEs in 6 regions
- Maintain eligibility for parents of children placed in foster care system
- Identified essential providers
- Exempt population – members of federally recognized tribes
- PHPs must include all willing providers in their networks, limited exceptions apply
- Rate floors for physicians
### Sequencing of Key Activities to Launch Managed Care

<table>
<thead>
<tr>
<th>Activity</th>
<th>2017 (Second Half)</th>
<th>2018</th>
<th>2019 (First Half)</th>
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<tbody>
<tr>
<td>External Outreach</td>
<td>Release proposed program design</td>
<td>Ongoing stakeholder engagement*</td>
<td></td>
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<tr>
<td>Waiver Process</td>
<td>Submit waiver concept paper</td>
<td>Submit any waiver changes to CMS</td>
<td>CMS approval</td>
</tr>
<tr>
<td>PHP Procurement**</td>
<td>Release Request for Information</td>
<td>Release Request for Proposals</td>
<td>Responses due Award PHP contracts Finalize/sign PHP contracts Conduct readiness review</td>
</tr>
<tr>
<td>IT/Data Infrastructure</td>
<td>Conduct IT assessment</td>
<td>Begin IT design</td>
<td>Build IT infrastructure for managed care</td>
</tr>
<tr>
<td>Rate Setting</td>
<td>Release rate-setting methodology</td>
<td>Release preliminary rates</td>
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*Stakeholder engagement will continue past 2019.
**Represents the earliest go-live date for some segment of the Medicaid population. Approximate dates are contingent on factors outside of DHHS control, including CMS waiver approval.
***Additional procurement will be needed prior to managed care launch, including for enrollment broker, ombudsman program, and regional provider support centers, among others.
Prepaid Health Plans

• Beneficiary chooses plan that best fits personal situation
  – 3 commercial plans
  – Up to 12 provider-led entities

• Offer standard or tailored plans*
  – Standard plans
    • Integrated physical, behavioral and pharmacy services
  – Tailored plans
    • Integrated physical, behavioral and pharmacy services for special populations
    • Includes Innovations waiver, federal block grant and state funded services
    • 2 years post launch: serious mental illness, substance use disorders and I/DD

• Plans must accept any willing and able provider, including all essential providers
  – Exceptions: quality, refusal to accept rates

* Requires enabling legislation
### Eligibility and Enrollment

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<tr>
<th>Eligibility</th>
<th>Enrollment</th>
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</table>
| • Goal: Simple, timely, user-friendly eligibility  
• Online, mail, telephone, in person  
• DSS offices continue to hold pivotal role  
  ─ Determine eligibility; process renewals  
  ─ NC FAST determines in or out of managed care  
  ─ No change in eligibility appeals  | • Beneficiary chooses PHP and PCP  
• Enrollment broker  
  ─ Support and education  
  ─ Counsel beneficiaries in PHP/PCP selection  
• 30-day plan selection period  
• PHP and PCP will be auto-assigned if not selected |

### Future State

Beneficiary applies, receives determination and selects PHP and PCP in one sitting (real or near-real time)  
  – Upgrades to E&E system  
  – Web-enabled enrollment
## Beneficiary Support

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<thead>
<tr>
<th>PHP</th>
<th>Enrollment Broker</th>
<th>Ombudsman</th>
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| • Member services staff  
• Explain PHP operation  
• Explain role of PCP  
• Assist with making appointments and obtaining services  
• Arrange non-emergency medical transportation  
• Fielding questions and complaints  
• Advising appeal and grievance rights and options  
• Education to promote health, wellness, disease prevention | • Assist beneficiaries with enrollment  
• Provide education about PHP plans and role of PCP  
• Counsel beneficiaries as they select PHP and PCP that best fits their situation | • Advocate for beneficiaries  
• Provide support and active preparation for appeals, grievance and fair hearing processes  
• Facilitate real-time issue resolution  
• Monitor trends in PHP performance or beneficiary concerns, with feedback to DHHS |
Delayed Mandatory Enrollment

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<tr>
<th>SPECIAL POPULATION</th>
<th>ENROLLMENT</th>
<th>AFTER MANAGED CARE BEGINS (NO LATER THAN)</th>
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<tbody>
<tr>
<td>Children in foster care and adoptive placements</td>
<td>22,000</td>
<td>1 year</td>
</tr>
<tr>
<td>Certain Medicaid and NC Health Choice beneficiaries with an SMI, SUD or I/DD diagnosis, and those enrolled in TBI waiver</td>
<td>85,000</td>
<td>2 years</td>
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<tr>
<td>Medicaid-only beneficiaries receiving long-stay nursing home services</td>
<td>2,000</td>
<td>2 years</td>
</tr>
<tr>
<td>Medicaid-only CAP/C and CAP/DA waiver beneficiaries</td>
<td>3,500</td>
<td>4 years</td>
</tr>
<tr>
<td>Individuals eligible for Medicare and Medicaid (dual eligibles)</td>
<td>245,000</td>
<td>4 years</td>
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Enrollment numbers and phase-in dates are estimated and may change.
#### Foster Care PHP (1 year after implementation)

<table>
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<tr>
<th>PHP Requirements</th>
<th>Plan Features</th>
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<tr>
<td>• Special personnel</td>
<td>• 90 day transition</td>
</tr>
<tr>
<td>- Medical Director</td>
<td>• Medication management services based on Fostering Health NC protocols</td>
</tr>
<tr>
<td>- Foster Care Liaisons</td>
<td>• Health screenings and assessments</td>
</tr>
<tr>
<td>- Foster Care Behavioral Health Clinical Director</td>
<td></td>
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<tr>
<td>• Care Management and Coordination requirements</td>
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Unmet Social Needs (Social Determinants of Health)

70% of health outcomes are tied to non-medical social determinants

16% households in NC are food insecure

81% receiving food assistance don’t know where next meal is coming from

73% receiving food assistance have had to choose between paying for food or health care or medicine

1.2M North Carolinians, rural and urban, cannot find affordable housing

ncfoodbanks.org/hunger-in-north-carolina/
Robert Wood Johnson, County Health Rankings, countyhealthrankings.org/app/north-carolina/2017/overview
Unmet Social Needs: Resource Mapping and Innovation Support

Goal: Unite communities and health care system to optimize health and well-being

• Resource mapping
  − Map social determinants of health indicators at community and ZIP code level to display areas with the highest disparity
  − Map and codify food, housing, transportation and other essential resources in communities and within institutions of care
  − Build on current resource manage databases, like 211 or Wake Network of Care for up-to-date list of benefits and community services
  − Partner closely with community stakeholders

• Health innovation investment
  − Community efforts to scale, strengthen and sustain existing innovative initiatives
  − Evidence-based interventions including referral and navigation services, collocated and embedded services, and use of flexible supports
  − Required data collection and reporting; evaluated to determine effects on health outcomes and spending
Integrated Behavioral Health

Medicaid beneficiaries with less intensive BH needs and without I/DDs

**Standard Plan**
- Physical health
- Pharmacy
- State Plan BH

No changes; beneficiaries remain in integrated managed care product

**Standard Plan**
- Physical health
- Pharmacy
- State Plan BH

**Initial Phase**

Medicaid beneficiaries with serious BH needs, I/DDs and those enrolled in Innovations or TBI waivers

**FFS**
- Physical health
- Pharmacy

**LME-MCOs**
- State Plan BH
- 1915(b)(3)
- Innovations Waiver
- TBI Waiver
- State funded BH services

**Second Phase**

Beneficiaries transition from receiving physical health and BH in two separate delivery systems to integrated managed care product

**BH I/DD Tailored Plans**
- Physical health
- Pharmacy
- State Plan BH
- 1915(b)(3)
- Innovation Waivers
- TBI Waiver
- State funded BH services

Graphic displays Medicaid beneficiaries who are not excluded from LME-MCOs.

NC Health Choice beneficiaries currently receive behavioral health benefits through Medicaid fee-for-service.
High-functioning Managed Care System
Balancing standardization and plan flexibility

• Quality, Value and Care Improvement
  – Statewide quality strategy with goals and metrics
  – Enhanced care management strategy incl. AMH
  – Value Based Payments

• Beneficiary Protections
  – Grievance and Appeals provisions
  – PHP Member Services
  – Ombudsman Program

• Managed Care Plan Accountability
  – PHP accreditation
  – Network Adequacy standards
  – Plan and Provider payments
  – Clinical Coverage Policies
  – Licensure and Solvency requirements
Continued External Outreach

- Requesting MCAC serve as formal stakeholder engagement body
  - Monthly teleconference
  - Quarterly in person meetings

- Targeted outreach to stakeholders

- Provider Fact Sheet for Medicaid and NC Health Choice providers

- Beneficiary Fact Sheet for people with Medicaid
Medicaid Managed Care Proposed Program Design
Comments Welcome and Encouraged

• Medicaid transformation website: ncdhhs.gov/nc-medicaid-transformation

• Written input due by Sept. 8, 2017:
  − Email: Medicaid.Transformation@dhhs.nc.gov
  − U.S. Mail: Department of Health and Human Services, Division of Health Benefits,
    1950 Mail Service Center, Raleigh NC 27699-1950
  − Drop-off: Department of Health and Human Services, Dorothea Dix Campus,
    Adams Building,
    101 Blair Drive, Raleigh NC
Discussion