These minutes are a synopsis of the MCAC meeting topics. All items are an update of the NC Medicaid program since the last meeting. Available presentations may be viewed for more details on the MCAC web page: https://medicaid.ncdhhs.gov/meetings-and-notices/committees-and-work-groups/medical-care-advisory-committee
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The Department’s priorities during the suspension include:
1) Minimize beneficiary’s confusion;
2) Continue provider engagement and training;
3) Continuous testing with PHPs for readiness;
4) Procurement amendments. The Department is moving forward with the award and implementation of the Healthy Opportunities RFP, EQRO, and Member Ombudsman contracts. Operational and financial impacts will be monitored.

Jay highlighted proposed transformation suspension areas and activities approved by the Department’s Internal Exchange Control Board.
- Non-Emergency Medical Transportation (NEMPT)
- Enrollment Broker Provider Directory
- Testing
- Procurements/Contracts
- Others

Dave Richard emphasized potential impacts of the suspension on tailored plans.
- The Department has been working very hard on the Tailored Plan Request for Application (RFA). The outcome of the GA reconvening in January will determine what can be done with tailored plans.
- Tailored plan exempt individuals will receive a notice.
- Raise Your Hand Request in process for individuals assigned to a standard plan but think they should be assigned to a tailored plan.
- The Department is continuing to look at tailored plan eligible individuals who selected a standard plan.
- PHP crisis system work will continue.
- Behavioral Health will continue to contract with standard plans.
- Jay Ludlam added that the State, Health Plans, and Community will continue to work together to advance the MC program commitment.

Chairman Massey opened the floor to the Committee members for questions and comments.
- Paula Cox-Fishman asked for clarity on whether the Department will start completely from scratch with open enrollment once the State budget is approved or will it use information individuals have already provided? Jay responded, there are regulations and requirements for open enrollment; therefore, we will have to reopen this component. There are also raw operation pieces involved such as rehiring, staff training, and readiness activities. We will not have to restart all activities.
- Jenny Hobbs asked if there will be a gap between the rollout of standard and tailored plans? Jay replied, at this point, we do not know. The decision will be based on a factor driven analysis.
- Chris DeRienzo asked for clarity on the pushback date because of media reports from public companies stating specific dates. Dave stated with 100% clarity, the Department will not set a date until we have budget certainty and will not speculate on a date until we have a budget that we can move forward with managed care.

MEDICAID BUDGET UPDATE

Adam Levinson, Chief Financial Officer, NC Medicaid

- Chairman Massey asked Adam to provide an update on historical budget information for last fiscal year as well as a year-over-year comparison of actual expenditures.
- Adam provided a Medicaid budget update to include the following:
  - **Budget Trend Over the Prior 3 State Fiscal Years:**
    - The State’s use of appropriations for Medicaid has remained consistent on a per member per month (PMPM) bases.
    - NC Medicaid (deficit)/surplus in $millions: Six consecutive years of reversion to the State General Fund.
  - **Current State Fiscal Year (SFY 2020) Status**
    - Through September 2020, NC Medicaid’s appropriations spending was $152.4M or 17.8% more than this time last year. Note: SFY2020 FTD expenditures for services are very close to forecasted level.
    - Medicaid Enrollment by Managed Care Cohort: From September 2019 to August 2020, the forecast of enrollment by Plan/Cohort predicts a decrease of 0.42%.
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- **SFY 2020 Outlook/Key Considerations**
  - In the absence of an enacted budget for the 2019-21 biennium, NC Medicaid is currently operating under the authorized budget for SFY 2018-19, per statutory “continuing resolution”.
  - While NC Medicaid reverted appropriations in SFY 2019, this does not mean that the same will be true in SFY 2020:
    - YTD spending claims are over the prior year, despite an enrollment decrease.
    - Several provider rate increases went into effect. LME-MCO rates are higher than last year.
    - FFP for a number of grants increased in the new federal fiscal year
    - The absence of a new legislated budget, the NC Medicaid program does not have access to targeted non-recurring funds allocated each year from the Medicaid Transformation Reserve and must fund transformation activities from other base budget funds.
  - Adam closed by stating, with the absence of a new State budget and operating on the Medicaid budget from the prior year, we could potentially be over budget.
  - Dave Richard expressed appreciation to Adam Levinson and his team for the work they are doing. The tools they are using today are working in our efforts. Our best estimates reflect a break even budget, and our team has done a great job at forecasting. We are doing all we can to be good stewards of our Medicaid dollars; Dave stated.
  - Chairman Massey opened the floor to the Committee for questions and comments. Adam and Dave responded to Chairman Massey’s question regarding whether the money that was shifted to move certain populations of LME/MCO to a standard plan will be returned to the LME/MCO due to the suspension of managed care.

**PUBLIC COMMENTS**
- Chairman Massey opened the floor to public comments. There were none.

**CLOSING REMARKS**
- Chairman Massey announced that the monthly MCAC teleconference meetings will be suspended until needed. Chairman Massey will discuss 2020 meeting topics with Dave Richard, Jay Ludlam, and Debra Farrington. Ted Goins will continue with the labor shortage discussions. Chairman Massey encouraged the other Committee members to present topics as well.

**MEETING ADJOURNED**

Minutes Prepared by Pamela Beatty