Nothing Compares
NORTH CAROLINA

NC Dual Eligibles Advisory Committee
June 23, 2016

Department of Health and Human Services
Division of Health Benefits

Welcome

NC Department of Health and Human Services

Dee Jones

Dave Richard

Audience Introductions

“Please let us know your Name and your Organization”

Agenda

- Committee Background
- Committee Process
- Advisory Committee Member Introductions
- 1115 Waiver Overview
- Advisory Committee Member Introductions *(break if needed)*
- Committee Objectives
- Steering Committee Selections
- Advisory Committee Member Introductions *(break if needed)*
- Additional Advisory Committee Member Seats
- Next Steps
- Questions and Answers

Committee Background

Session Law 2015-245

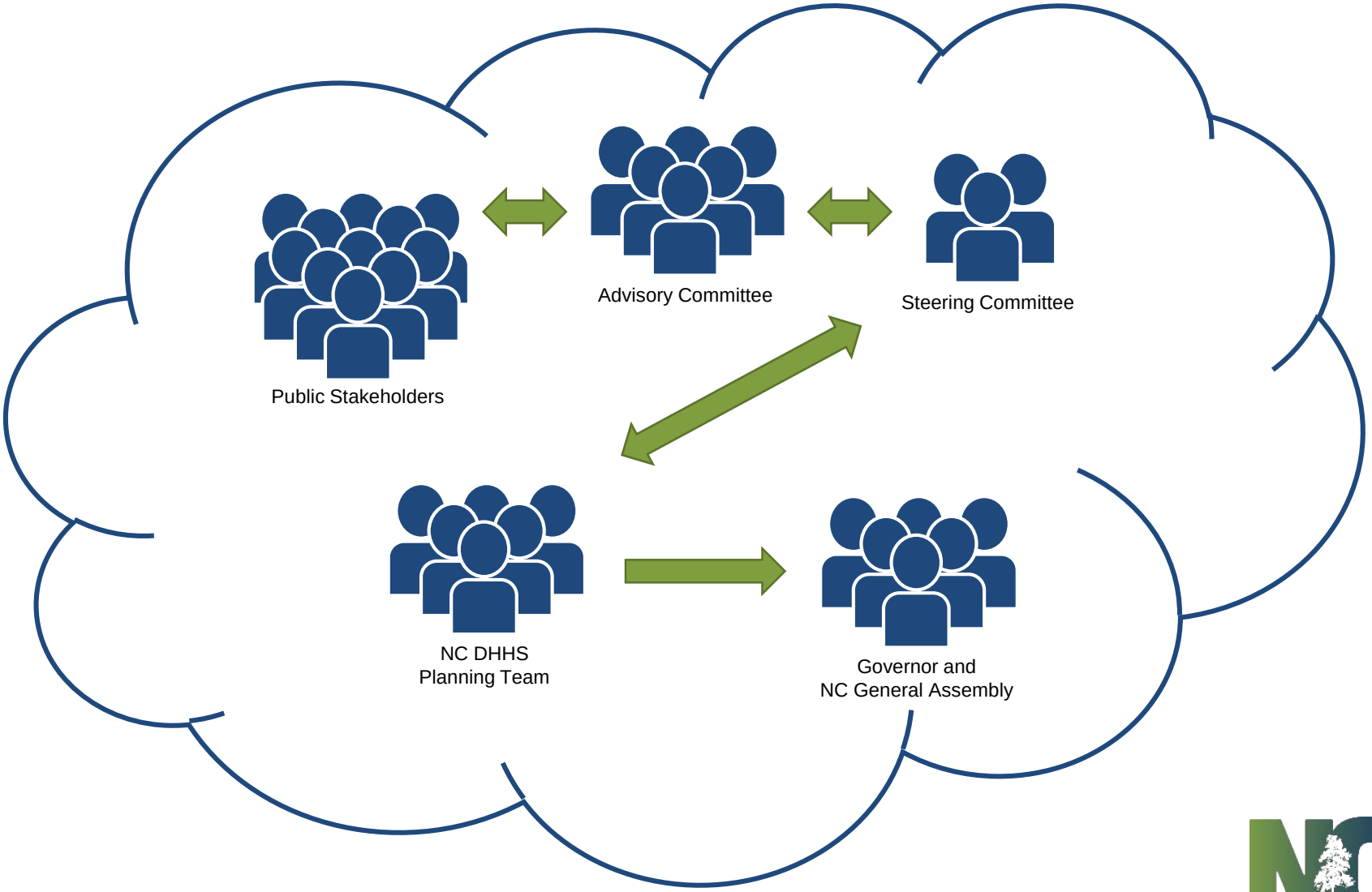
NC Medicaid reform bill, SL 2015-245 (HB 372), signed into law by Gov. McCrory in September 2015; requires DHHS to:

"…develop a Dual Eligibles Advisory Committee, which must include at least a reasonably representative sample of the populations receiving long-term services and supports covered by Medicaid. The Division of Health Benefits, upon the advice of the Dual Eligibles Advisory Committee, shall develop a long-term strategy to cover dual eligibles through capitated PHP contracts and report the strategy to the Joint Legislative Oversight Committee on Medicaid and NC Health Choice by January 31, 2017."

Committee Process

- Advisory Committee
  - Monthly meetings to discuss dual eligibles strategy per SL 2015-245 (HB 372) and advise how NC could best cover them through capitated PHP contracts
  - Establish a Steering Committee
  - Invite beneficiaries to become Advisory Committee members (5)
- Steering Committee
  - Monthly meetings to consolidate feedback from the Advisory Committee for presentation to the Department
  - Assist in developing meeting agendas and options for consideration by the Advisory Committee

Committee Working Structure



Advisory Committee Member Introductions

Name, Organization and Brief Introduction

(under 2 minutes please)

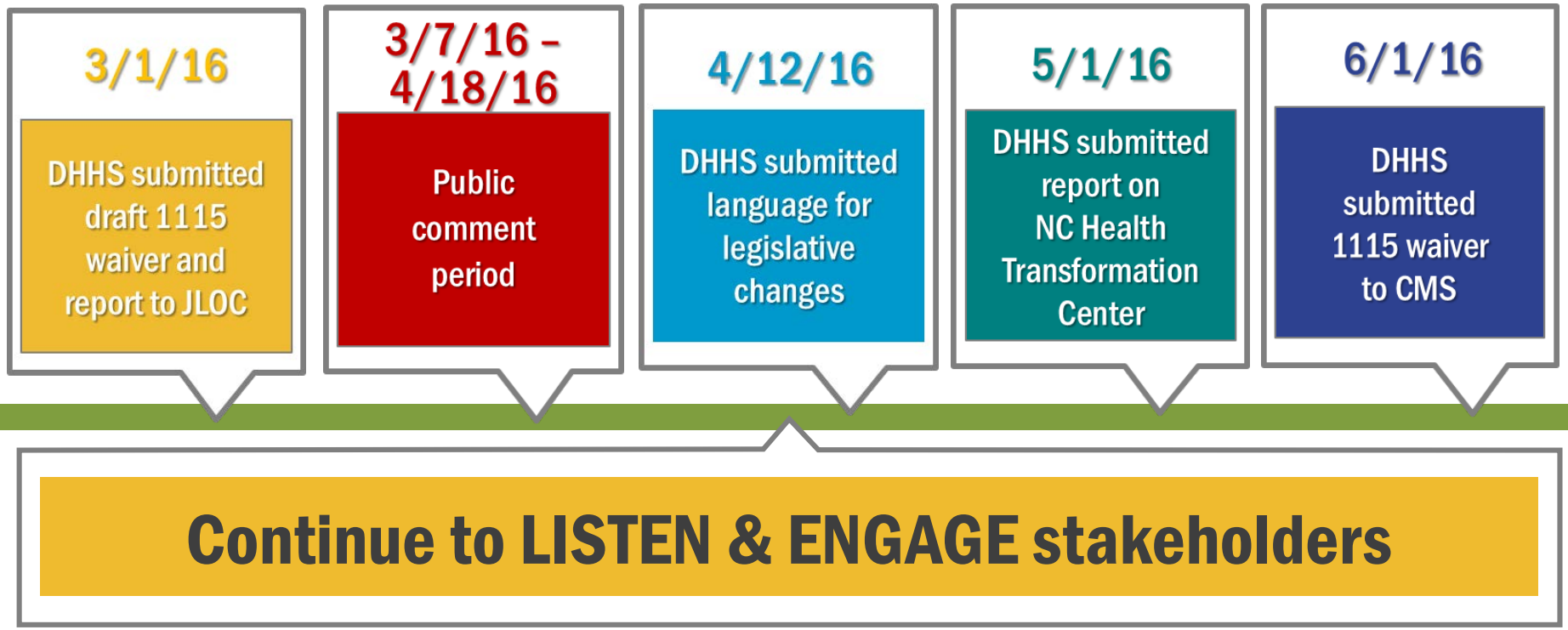
1115 Waiver Application Overview

Session law 2015-245 and 1115 demonstration waivers

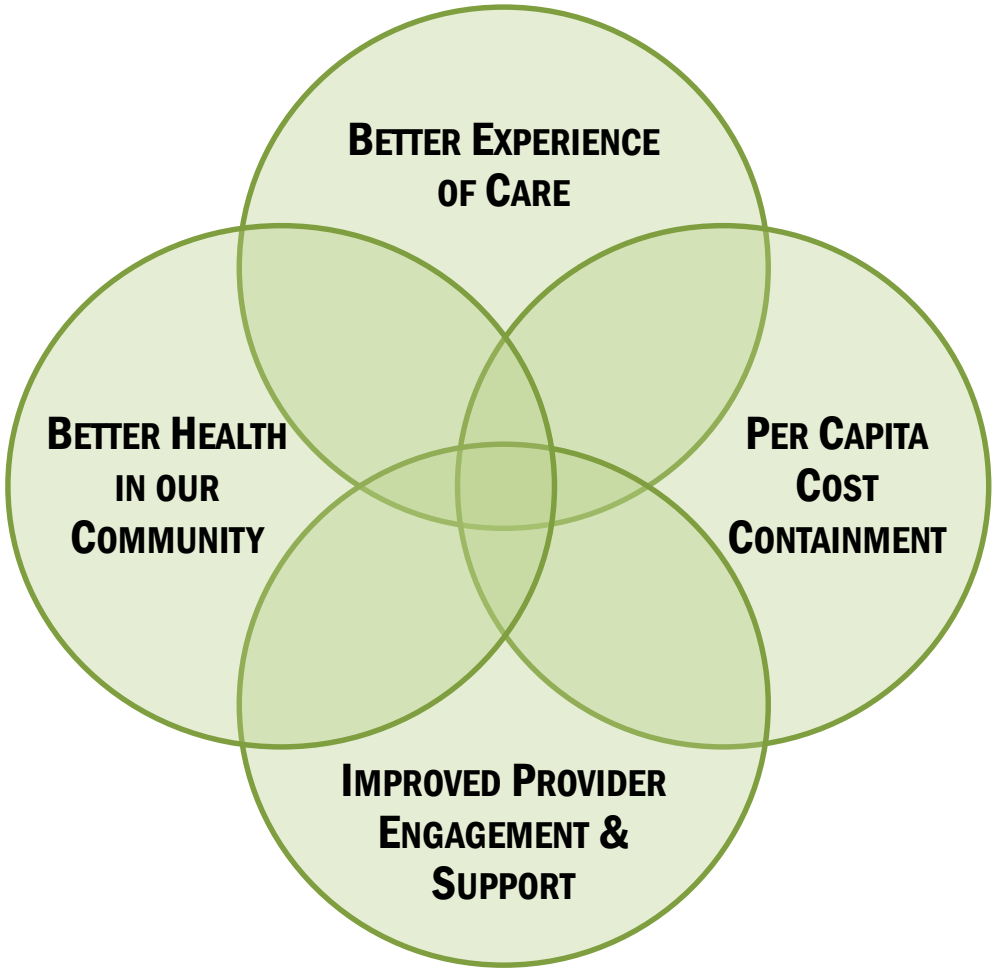
- 1115 demonstration waiver submitted to CMS on June 1, 2016
- 1115 demonstration waiver designed to transform Medicaid and NC Health Choice programs for non-dual eligibles
  - System-wide innovation for beneficiaries, communities and providers
  - Budget stability through capitated payments
- U.S. Secretary of Health & Human Services has authority to waive certain Medicaid requirements
  - Allows use of federal Medicaid funds in ways not otherwise allowed
  - Allows for broad changes in eligibility, benefits, cost sharing and provider payments
  - Intended to be used for research and demonstration projects to test and learn about new approaches for program design and administration

Milestones

A Process Built on Collaboration



Vision Builds on Our Foundation of Innovation



Improve health care access, quality and cost efficiency for our 1.9 million Medicaid and NC Health Choice beneficiaries

North Carolina Waiver Initiatives

- Build a system of accountability for outcomes
- Create Person-Centered Health Communities (PCHCs)
- Support providers through engagement and innovations
- Connect children and families in the child welfare system to better health
- Implement capitation and care transformation through payment alignment

LTSS Waiver Initiatives

- June 1 waiver application does not apply to dual eligible population, but does include LTSS for Medicaid-only beneficiaries
- Waiver proposes that LTSS (not currently covered by LME-MCOs) be covered through PHPs for Medicaid-only beneficiaries
- Goals for inclusion of LTSS into PHPs were developed from past stakeholder engagement and include:
  - Support and build a system that promotes consumer choice
  - Build upon current system by ensuring continued access to facility-based services when necessary, and expanding continuum of services and variety of settings in which to receive them
  - Promote use of enabling technology
  - Invest in service strategies that prevent, delay or avert need for Medicaid-funded LTSS through appropriate upstream interventions
  - Recognize and bolster key role family caregivers and other natural supports play in supporting beneficiaries with long-term care needs to delay or divert use of institutional services
  - Ensure that LTSS beneficiaries have access to, as needed, hands-on streamlined service coordination that is responsive to their clinical and social needs
  - Focus on care transitions and opportunities for early interventions related to transition planning

1115 Demonstration Waiver Changes

March 1 Draft Version to June 1 Submission

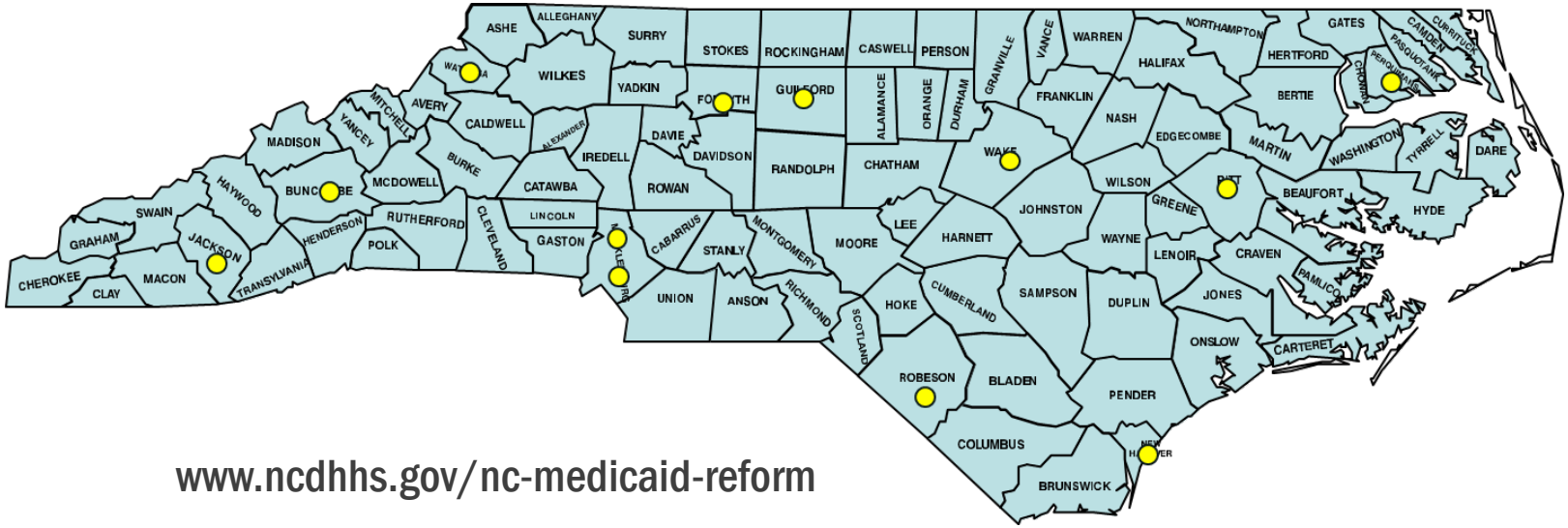
- Modification to improve flow and readability, and reflect the CMS audience
- DHHS internal review, discussion and clarifications
- Final Medicaid managed care rule inclusion, as feasible (published May 6, 2016)
- Incorporation of feedback from the public hearings
- Addition of financing and budget neutrality section, and appendices

CMS Managed Care Rule

What is in the Managed Care Final Rule?

- Broad-based changes to the federal rules that will govern PHPs, including:
  - Beneficiary information and support, network adequacy, quality of care, appeals and grievances, LTSS, program integrity, encounter data, medical loss ratio, and capitation/provider payments
  - July 5, 2016, effective date, with most provisions phased-in between now and 2019; PHPs in 2019 will need to comply

12 Public Hearings – 1,600 Citizens Participated



www.ncdhhs.gov/nc-medicaid-reform

March 30 – Raleigh, 6–8 p.m.
March 31 – Monroe, 2–4 p.m.*
March 31 – Huntersville, 6:30–8:30 p.m.
April 5 – Sylva, 4–6 p.m.

April 6 – Boone, 12–2 p.m.
April 6 – Asheville, 6:30–8:30 p.m.
April 7 – Greensboro, 6:30–8:30 p.m.
April 8 – Winston-Salem, 2–4 p.m.

April 13 – Wilmington, 6–8 p.m.
April 14 – Greenville, 2–4 p.m.
April 16 – Elizabeth City, 10–12 p.m.
April 18 – Pembroke, 3:30–5:30 p.m.*

* Dial-in option available.

General Public Comment Themes

- **Beneficiary concerns.** Ensure beneficiaries continue to have a voice through work groups; ensure adequate patient access to providers
- **Provider concerns.** With possibility of working with up to five plans, the state must standardize processes to reduce administrative burden; ensure independent appeals process, rate adequacy, and support for local health departments, HIV specialists and psychiatry
- **Expansion.** Strong advocacy for expansion by attendees
- **Case/care management.** Ensure continuation of care management, provider supports and analytics
- **Supplemental payments.** Ensure levels of funding are maintained for providers (LHD, EMS, hospitals, etc.)
- **Behavioral health.** Favorable feedback around integrated care

Supplemental Payments

- NC providers currently receive approximately $2 billion annually in payments through a complex set of funding streams
- Transition to reform presents risks to these essential funds
- Waiver proposes supplemental payments be structured in four ways:
  - Uncompensated Care Pools
  - Delivery System Incentive Reform Payments (DSRIP)
  - Direct Payments to certain providers
  - Directed Payments through Base Rates
- Waiver does not reflect payment options provided in recently released final Medicaid managed care rule
- Funding for Disproportionate Share Hospital Payments and Graduate Medical Education will continue outside the waiver

Budget Neutrality

- Waiver must cost the federal government no more than what would have been spent otherwise
- Budget neutrality is the basis for negotiations with CMS and is not a calculation that reflects state budget impact
- Preliminary estimates suggest reform will drive over $400M in savings over five years
- DHHS intends to reinvest a significant portion of the savings as incentives payments to improve health outcomes
- Final budget estimates, savings and reinvestment amounts are subject to negotiations with CMS and OMB

Legislative Changes to Support Program

Changes

Recognize DHHS has operational authority for Medicaid, rather than through Division of Health Benefits

Ease cooling off period requirements for staff without leadership role or contract decision making authority

Enable DHHS to contract with up to 12 Provider Led Entities (PLEs)

Allow members of the Eastern Band of Cherokee Indians (EBCI) to "Opt In" to the managed care program

Maintain eligibility for parents of children placed in foster care system

Changes continued

Include State Veterans Homes as an "essential provider"

Exclude from Prepaid Health Plans:

- Populations with short eligibility spans (e.g., medically needy and populations with emergency only coverage)
- PACE program
- Local Education Agency (LEA) services
- Child Development Service Agencies (CDSAs)
- Periods of retroactivity and presumptive eligibility

Continued Waiver Related Activity

- Begin discussions and negotiations with CMS
- Continue stakeholder engagement
- Expand upon efforts toward implementation

Advisory Committee Member Introductions

Name, Organization and Brief Introduction

(under 2 minutes please)

Committee Objectives

- Further define dual eligibles population
- Provide advice on how dual eligibles could be covered by capitated PHP contracts, including but not limited to:
  - Beneficiary outreach and enrollment
  - Beneficiary protections
  - Quality and performance measures
  - Coordination of care
  - Service design and modification
  - Service provider engagement and capacities

Committee Objectives (continued)

- Timelines for integrating the dual eligibles population
- Integration of Medicare-related responsibilities into PHP design, including but not limited to:
  - Coordination of services, payment, data and quality measures

Establishment of Steering Committee

- Nomination of Advisory Committee members to also serve as Steering Committee members
  - Submit your nomination by July 1, 2016
  - Submit nomination to angela.diaz@dhhs.nc.gov
- DHHS Planning Team will select members from those nominated

Advisory Committee Member Introductions

Name, Organization and Brief Introduction

(under 2 minutes please)

Additional Advisory Committee Member Seats

- Five additional member seats have been reserved
- Seeking beneficiaries or advocates to participate
  - Diversity in age, services used and lived experience
- Requesting recommendations from current members
  - Submit your recommendations by July 8, 2016
  - Submit nomination to angela.diaz@dhhs.nc.gov
- DHHS Planning Team will select members from those recommended

Next Steps

- Review LTSS-related goals in the waiver, and provide feedback on those goals as related to dual eligibles
- Provide feedback on what is working well in the current system that could be retained under a reformed system
- Provide feedback on improvements that could built into a reformed system
- Provide Steering Committee nominations by July 1
- Submit additional Advisory Committee member recommendations by July 8
- Other?

Questions and Answers