



MEDICAL CARE ADVISORY COMMITTEE (MCAC) TELECONFERENCE MEETING MINUTES December 13, 2019

NC Medicaid, Kirby Building-Room 132, 1985 Umstead Drive, Raleigh, NC
Teleconference: Dial-in No.: 866-390-1828 (Access Code: 4586030)

The MCAC Meeting was held via teleconference on Friday, December 13, 2019 (10:30 a.m. -12:00 p.m.).

ATTENDEES

MCAC Members: Gary Massey, MCAC Chairman

MCAC Members via Telephone: Marilyn Pearson, MCAC Vice Chair, Kim Schwartz, Samuel Clark, David Tayloe, Benjamin Smith, Steven Small, Ivan Belov, Chris DeRienzo, Billy West, Jr., Thomas Johnson, Ted Goins, David Sumpter, Paula Cox Fishman, Benjamin Koren, Jenny Hobbs

MCAC Interested Parties via Telephone: Laura Woodrup, Lee Dobson, Rebecca Cerese

DHB Staff: Dave Richard, Jay Ludlam, Debra Farrington, Shazia Keller, Patrick Doyle, Beth Daniel, Andrea Phillips, Pamela Beatty

CALL TO ORDER

Gary Massey, MCAC Chair

- Gary Massey, MCAC Chair, called the meeting to order at 10:30 a.m. followed by MCAC member roll call and introduction of staff. Pamela Beatty declared a quorum. Chairman Massey entertained a motion to approve the November 15, 2019 MCAC meeting minutes. Minutes were approved by the Committee.

OPENING REMARKS:

Dave Richard, Deputy Secretary, NC Medicaid

- Dave provided a high-level overview of the NC Medicaid Managed Care (MC) implementation suspension.
 - NC Medicaid managed care implementation was suspended due to the lack of a State budget providing the required spending and program authority for the transition to managed care.
 - The Department is prepared to move forward with the MC implementation and will use the suspension period to explore other opportunities for integration.
 - Until there is a State budget, the Department will not propose an implementation date.
 - Dave emphasized that the vision of MC and the work taken place throughout the State does not change. The Department is continuing to move forward with addressing the social determinates of health and its efforts to integrate physical and behavioral health...all are still critical. The delay of MC implementation is a disappointment and not something the Department wanted; Dave stated.

MEDICAID MANAGED CARE UPDATE

Jay Ludlam, Assistant Secretary, NC Medicaid

- Jay discussed impacts of the managed care suspension and the Department's continued progress towards managed care.
 - Open enrollment period is closed. Once managed care goes live, the enrollment process will start anew. In collaboration with the Enrollment Broker (EB), the Department sent letters addressing any confusion to all beneficiaries/individuals who were potentially eligible for enrollment in a health plan.
 - The EB call centers will remain open as we are continuing to receive calls and to process the open enrollment applications received. The EB website and mobile apps have been turned off.

- 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%.

○ **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