

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF MEDICAL ASSISTANCE

MEDICAL CARE ADVISORY COMMITTEE MEETING
SEPTEMBER 18, 2015
BROWN BUILDING, HEARING ROOM #104, RALEIGH, NC 27603

The Medical Care Advisory Committee (MCAC) met on Friday, September 18, 2015 at 9:00 a.m.

ATTENDEES

Members In Person: Gary Massey – MCAC Chair, Paula Cox-Fishman, Stephen Small, Marilyn Pearson, Casey Cooper, Derek Pantiel, Polly-Gean Cox, Trent Cockerham, Lori Landman, Kim Schwartz, Ted Goins, Ben Koren, Steven McRae, Carol Day, Sam Clark, Dave Richard, Sandra Terrell, Trey Suttan, Christal Kelly, Rob Kindsvatter, Jamal Jones, Jeff Horton, Chip Pate, Linda Rascoe, Sarah Pfau, Teresa Smith, Mary Rhodes, Pamela Beatty
Telephone: Thomas Johnson, III, Billy West and Duncan Sumpter

CALL TO ORDER

Gary Massey, MCAC Chair

- Meeting called to order at 9:03 am with welcoming remarks followed by introduction of participants.
- Minutes approved from the April 10, 2015 meeting.
- Announcement was made that the Committee is seeking nominees (primary care physician, family physician and pediatrician) to fill vacant Congressional Districts 3 & 9. Nominees are to be emailed to Pamela Beatty (pamela.beatty@dhhs.nc.gov).

OPENING COMMENTS

Dave Richard, Deputy Secretary, DMA

- Expressed appreciation to Gary Massey for serving as the MCAC Chair and to the new members for their participation. Emphasized the enormous value of the MCAC and its role in what the agency does as it goes forward with the Medicaid Reform. Commented that the MCAC meetings are important and provide input supportive of what the Division does.
- Only three months into the role of Medicaid Director, Dave is continuing the progress made by those before him. A dynamic DMA Executive Team has been put in place; introduced those in attendance: Trey Sutton, Finance Director; Rob Kindsvatter, Program Integrity & Compliance Director; and Sandra Terrell, Clinical Director.
- Expounded on the DMA values: **Accountability, Integrity, Collaboration, Innovation, and Communication.**
- Addressed the media headlines this morning (Friday, September 18, 2015) pertaining to the Medicaid Reform and privatization of the Medicaid Program. Dave stated that the program has been privatized from the beginning, the program is simply being managed in a different way by changing the payment structure. A new section, Health Benefits Division, will be established by the inception of the capitated system which is anticipated to be implemented in 4 years or longer.
- Kim Schwartz thanked Dave for his comments. Kim stated the MCAC is comprised of smart people who give objective information in a reflective way and want to be engaged. Kim asked that the Committee be considered as part of a technical assistance team.
- Dr. Marilyn Pearson stated that as an advisory group, the Committee should meet more often than quarterly. Dave responded that the MCAC will meet more often during the transition; interim teleconference calls and work groups are certainly viable.
- Dave asked the Committee to allow staff more time to plan and reflect on their agenda as they work towards developing a Medicaid Reform plan.

The minutes are a synopsis of the MCAC Meeting topics. All items are an update of the program area since the last meeting. Dates vary dependent upon reporting period. Available presentations may be viewed for more details on the DMA Medical Care Advisory (MCAC) web page at: <https://dma.ncdhhs.gov/get-involved/committees-work-groups>

MEDICAID REFORM UPDATE

Jamal Jones, Sr. Health Care

- Jamal continued the conversation on the passing of House Bill 372 and the privatization of the North Carolina Medicaid program by using Managed Care Organizations (MCOs). Commented that Alabama and Illinois are the two most recent states that have moved towards capitalization which could potentially render resources for the Division.
- Sandra Terrell, suggested providing a summary of data revealing the highs and lows of each state to be used as a collective learning tool as we go forward.
- Marilyn Pearson added that there needs to be consistency in the credentials across the board for the PCP and Behavioral Health Physicians.
- Most states are pursuing an expansion in Medicaid Managed Care; it is a national trend and not just locally. Progression over 20-25 years is common for most states' reform.
- Resulting from the Reform, the State will be divided into 6 regions. Contracts will be bided to different MCOs organization to provide care across the state. Ten Provider Led Entities (PLEs) will bid on contracts to cover the region. Requirements in the contracts will be the same.
- The design of the Medicaid Reform will be a collaborative effort to include input from the MCAC members, stakeholders and the community.
- Dental and dual eligible have been excluded from the capitation.
- Focus will be placed on hospitals to ensure that a system is in place that will not negatively impact their systems.
- Community Care of North Carolina (CCNC) will continue to exist until the capitation is completed.
- Kim Schwartz led a discussion on how the State has saved money in healthcare; however the physicians have seen no rewards or compensation – only reductions. Kim asked where is the value proposition for moving to the new system? What are the unintended consequences of the provider lead vs payer led system? Would like for the agency to report back to the Committee on this question.
- Dave responded by asking the Committee again to allow time for the development of a plan. Discussions are taking place between DHHS/DMA and the Legislative leadership on findings. A report will be presented to the Legislative Committees in March 2016. Will solicit feedback from constituents and stakeholder groups for adjustments needed.

MEDICAID BUDGET UPDATE

Trey Suttan, Finance Director, DMA

- Provided a review of the Medicaid Program finances for fiscal year ending 2014-2015. Enrollment mix make up 80% of what is driving Medicaid spending.
- Finished the year in July 2015 with a 5.1% increase in enrollment; higher than a year ago.
- Total Medicaid expenditures were \$4.4 million higher than past year. Enrollment, legislative rate reductions and freezes were among the offsetting factors.
- From a budget perspective, Medicaid expenditures were 2.1% favorable to the authorized budget. Ended the year with \$131 million in cash and carried over \$93 million for anticipated paybacks to CMS and for drug rebates.

1% STATE PLAN AMENDMENT (SPA) RATE REDUCTIONS UPDATE

Christal Kelly, Associate Director-Provider Reimbursement, DMA

- The Division is working with CMS to gain approval of the SPAs hopefully within the next few months.
- Provider payments will be reduced by 1% of the rate. Claims are currently being paid at the higher rate and will be reprocessed from the SPAs' effective date (January 1, 2015) to the time extended in NC Tracks.
- Recoupments will be spread out over the months until money is paid back. Gary Massey asked if there will be a formal request process for providers with hardships. Trey Suttan responded, yes the Division will work with providers on hardships.

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ICD-10

Chip Pate, ICD-10, Senior Technical Analyst/ICD-10 Project Manager, DMA

- ICD-10 implementation deadline was delayed by Congress until October 1, 2015.
- State user acceptance testing for processing claims was conducted with providers and trading partners. Worked with CSC to resolved issues and system defects. Processed approximately 6,000 claims; feedback was very useful.
- Provider readiness survey revealed some providers are not prepared. CSC Call Center, ICD-10 Tiger Teams, and enhanced monitoring will be in place to assist with issues and provide support during the transition.
- Learning opportunities will be available to include 30-minute webinar sessions, NCTracks ICD-10 Crosswalk of diagnosis codes, and provider training resources links.
- Trey Suttan stated that advance hardship money is available for providers with individual struggles. Encouraged providers to exhaust every opportunity, strategy, and training resources available to them. Sandy asked for any insight to push the message out to avoid interruption of access to care.

PUBLIC COMMENTS

- NONE

REMINDERS/ACTION ITEMS

- Gary Massey suggested building a repository of information and asked the Committee to take time to recap on the conversations held during today's (September 18, 2015) MCAC Meeting. All comments should be emailed to Pamela Beatty (pamela.beatty@dhhs.nc.gov) to avoid losing information.
- Provide the Committee with the link to the Legislative Bill (Jamal Jones)
- Submit nominees for vacant Congressional Districts 3 and 9. Contact Pamela Beatty for nomination forms. (MCAC Members)
- 2016 MCAC Meeting Dates (Pamela Beatty)
- Summary of data/feedback indicating the highs and lows of other state's Medicaid Reform experience to be used as a collective learning tool as we go forward with the Reform. (Sandra Terrell)

ADJOURNMENT

- Meeting adjourned at 11:10 am