

November 1, 2003

To: Joint Legislative Commission on Governmental Operations
Senator Marc Basnight, Co-Chair
Speaker Jim Black, Co-Chair
Speaker Richard Morgan, Co-Chair

Joint Legislative Health Care Oversight Committee

From: Lt. Governor Beverly E. Perdue
Health and Wellness Trust Fund Commission, Chair

Subject: Annual Report

Section I. Implementation of the Enabling Statute

The Commission now funds four initiatives that address the vision expressed by the General Assembly in creating a Commission to improve the health and wellness of North Carolinians. The Senior Care prescription drug program was launched one year ago today. Since that time, three prevention initiatives have been implemented statewide at the grassroots level to promote:

- Safe and effective use of medications among seniors,
- Tobacco use prevention and cessation among youth
- Obesity reduction and prevention among youth and children

With technical assistance from expert agencies and organizations, local grantees across the state are establishing service capacity and building community support for specific public health and related policy goals. This process takes time, especially in those communities where collateral resources are scarce and capacity is being built from the ground up. Nonetheless, significant progress is being made and measured, as summarized below.

Statutory Requirement: Address the health needs of the vulnerable and underserved populations of NC.

HWTFC Initiative: *Senior Care* provides prescription drug access for the state's most vulnerable and underserved seniors.

Program Design

- \$ 91 million allocated over three years
- Covers the three diseases that affect 70% of NC's seniors
 - cardiovascular disease
 - diabetes mellitus
 - chronic obstructive pulmonary disease (COPD).
- Pays up to \$600 for covered drugs per year, with the senior contributing a 40% co-pay plus a \$6 dispensing fee
- Commercial Pharmacy Benefit Manager administering program
- Coverage began November 1, 2002.

Enrollment

- Current enrollment approximately 23,000
- Website: www.ncseniorcare.com and toll free line (866) 226-1388
- Enhancing minority enrollment through grants to the General Baptist State Convention

Medicaid Waiver May Expand Program

- DHHS has applied to the federal government for a Section 1115 Medicaid waiver that would match the Commission's investment on a 2-to-1 basis
- Would represent a new source of federal funds for NC
- If the waiver is approved, Senior Care would be expanded as follows:
 - Medications for all disease states would be covered
 - The annual benefit would increase to \$1,000 annually
 - The co-pay would be reduced to \$5 for generics and \$15 for brand name drugs

Statutory Requirement: Fund research, education and prevention programs that increase community capacity.

HWTFC Initiative: Medication Assistance Programs educate seniors on the safe and effective use of medications, thus preventing adverse reactions from drug interactions and duplicative therapy. Research is being conducted on the health outcomes of providing this service, such as reduction in emergency room visits and hospitalizations. Grant programs also increase community capacity to assist low income individuals of all ages to gain access to prescription drugs from pharmaceutical companies for free or at sharply discounted prices.

Program Design

- \$15 million over 3 years; 23 local grants awarded in October 2002
- 3 additional grants awarded in October 2003

- Approval of Medicaid waiver would provide matching funds on a 3-to-1 basis

Medication Management for Seniors

- 63 counties served locally
- Remaining 37 counties served by UNC School of Pharmacy hotline
- Specialized training for pharmacists provided by the Area Health Education Centers (AHEC)
- All grantees accept referrals of high-risk seniors from the *Senior Care* program
- No cost for Senior Care clients

Prescription Assistance for low-income individuals of all ages

- Grantees use a software-driven search engine to identify the best source for needed drugs and complete application forms for clients
- Eligibility requirements are defined by pharmaceutical companies that sponsor such programs
- Commission is currently preparing for expansion statewide

Statutory Requirement: Develop a community-based plan to prevent, reduce, and remedy the health effects of tobacco use among North Carolina's youth

HWTFC Initiative: *Teen Tobacco Use Prevention and Control* programs include grants to local school and community organizations, statewide organizations capable of addressing the needs of priority populations, paid media and enforcement of the state law restricting the sale of tobacco to minors. All of these programs are part of a community-based plan aimed at reducing and remedying to health effects of tobacco use among North Carolina's youth.

Program Design

- \$18.6 million allocated over three years for a pilot program based on CDC recommendations
- local grants were awarded to 26 community-based organizations and schools serving 62 counties
- four statewide grants were awarded to focus on communications with minority teens:
 - El Pueblo
 - NC Commission of Indian Affairs
 - Old North State Medical Society
 - General Baptist State Convention

Program Elements

- Other elements of the Commission's initiative that support the local and statewide grantees are as follows:
 - A paid media campaign entitled, *"Tobacco.Reality.Unfiltered"* was launched in year one, and budgeted at \$1.5 million per year.
 - A non-punitive cessation program for teens, called N-O-T (Not On Tobacco), sponsored by The American Lung Association, and budgeted at \$200,000 per year.
 - Enforcement of the ban on tobacco sales to minors by the Division of Alcohol Law Enforcement, budgeted at \$500,000 per year
 - Counseling for pregnant teen on the dangers of tobacco use, provided by the Women's and Children's Health Section of DHHS, budgeted at \$100,000 per year
 - A statewide effort to promote local adoption of tobacco use restrictions on school property and at school functions, provided by the Tobacco Prevention and Control Branch of DHHS, budgeted at \$345,000
 - A statewide leadership forum for youth, organized by the Tobacco Prevention and Control Branch of DHHS, budgeted at \$100,000
 - Sponsorship of three regional youth empowerment programs, called "Question Y", budgeted at \$250,000 per year

Statutory Requirement: Fund initiatives that treat health problems in North Carolina and increase community capacity

HWTFC Initiative: *Children, Youth and Community Obesity Reduction / Prevention* grants were awarded on October 24, 2003, to create and increase community capacity to address the epidemic of childhood obesity. Grantees will provide intervention programs for overweight children including after school exercise programs and nutritional counseling. Grantees will also focus efforts on public education and adoption of local policies that address the underlying issues.

Program Design

- 3 year initiative funded at \$3 million per year
- Initiative design based on recommendations developed by DHHS under the North Carolina Healthy Weight Initiative
- 12 grants were awarded to local organizations that will serve schools and communities in 19 counties initially, then expanding to 35 counties.
- 4 grants were awarded to statewide/regional organizations that will provide service on a much broader basis

- Department of Community and Family Medicine at Duke will provide technical assistance to grantees
- Grant implementation will begin in January 2004

Statutory Requirement: Measure outcomes of funded programs

HWTFC Initiative: *Formal program evaluations* are being conducted for each initiative listed above by the following organizations to measure overall program outcomes and individual grantee performance:

- Senior Care -- UNC School of Public Health/School of Pharmacy and NC A&T School of Nursing
- Medication Management -- UNC School of Public Health/School of Pharmacy
- Teen Tobacco Use Prevention and Cessation -- UNC School of Family Medicine
- Obesity – To be determined

Section II. Analysis of progress toward the goals and objectives of a comprehensive, community-based plan pursuant to G.S. 147-86.30(e)(3)

The Commissioners spent 18 months setting priorities and designing specific initiatives to address the most pressing health needs in North Carolina. Seniors and youth were determined to be the most vulnerable population groups, and the Commission decided to focus its initial efforts on their behalf.

In the absence of a Medicare prescription drug benefit for seniors, the Commission established a discount card program to help the neediest seniors suffering from chronic disease conditions such as diabetes, cardiovascular and pulmonary diseases. Recognizing that drug interactions and duplicative therapies are a significant but preventable cause of emergency room use and long term hospitalization, the Commission added value to the Senior Care program by funding community-based organizations to provide medication counseling through licensed pharmacists. To supplement the limited benefit provided by Senior Care, the Commission enabled these same community-based organizations to help people of all ages gain access to pharmaceutical company assistance programs by funding customized “search engine” software and salaries for trained operators.

Youth are particularly susceptible to tobacco use, overweight and obesity. Therefore, the Commission designed two community-based initiatives to address these pressing issues.

According to the Centers for Disease Control (CDC), over 90 percent of first-time tobacco use occurs prior to age 20, with the average age of initiation being 13. The health effects of prolonged tobacco use among the general population are well

documented, and studies by the CDC show that African Americans suffer disproportionately high rates of heart disease, stroke and lung cancer. The Commission has followed the CDC's guidelines in structuring its overall plan, which includes the effective use of media as well as cessation services and programs designed to help teens who want to quit using tobacco be successful. The Commission awarded \$6.7 million in grants to 27 local coalitions that are principally comprised of school districts, county health departments and community-based organizations. The funds will be used for organizational development, promotional activities and local cessation programs. Another \$2.2 million in grants was awarded to four organizations that will focus their efforts on reaching out to African American, Hispanic and American Indian teens statewide, through culturally appropriate messages.

Overweight/Obesity is the first chronic disease that is spreading at epidemic rates. At its current rate, it will soon become the costliest disease, surpassing cardiovascular diseases. The percentage of children who are overweight in the United States doubled during the past two decades and the percentage of overweight adolescents tripled. The economic and social consequence of obesity manifests itself in premature death and disability, in health care costs, in lost productivity, and in social stigmatization. The Commission funded sixteen grants statewide to address this problem. Grant funds will be used to provide intervention programs for overweight children including after school exercise programs and nutritional counseling. Grantees will also focus efforts on public education and adoption of local policies that address the underlying issues. A social marketing campaign will be developed to communicate effectively with minority communities, where the problem is especially acute. UNC-TV will participate by creating and airing messages on its statewide network to reach both at-risk youth and their caregivers.

The Commission is embarking on an effort to examine childhood obesity related policy options by creating a study panel comprised of experts from the fields of medicine, public health, education, business and child advocacy. The purpose of the study panel would be to evaluate the status of obesity among the State's children; recommend policy initiatives to the Commission, which may include suggested recommendations for the NC Department of Health and Human Services, the Department of Public Instruction and other interested bodies. The study panel may also develop legislative proposals that could be presented to the General Assembly. The study panel will be co-chaired by Dr. Olson Huff, Sen. Bill Purcell and Rep. Verla Insko. The Commission has allocated a budget of \$300,000 for staff support and other operational expenses.

The Senior Care program was implemented one year ago; Medication Assistance Centers and Teen Tobacco Prevention and Cessation programs have been in place for six to eight months. The grantees for Children, Youth and Community Obesity Reduction / Prevention have recently been selected, and the Commission is still in the process of finalizing the awards. Thus, it is too early to have outcomes that are

measurable. However, the Commission has contracted with evaluation experts from local universities to track progress and report outcomes as they become available. Interim grantee progress reports are included elsewhere in this document, which point out both progress that has been made to-date and plans for work yet to be accomplished. In selecting grantees, the Commission has been mindful of its statutory obligation to build community capacity. Therefore, a number of the grantees are inexperienced in the particular area for which their grant was awarded. The Commission is providing technical support to all grantees through memoranda of understandings with expert agencies and university departments. The reality is that even with such assistance, the development of capacity in many underserved areas will take additional time than has yet been devoted to this endeavor.