



N.C. Department of Health
and Human Services

Shared Savings Plan Joint Legislative Oversight Committee

Joint Legislative Oversight Committee on Health and Human Services
January 11, 2014

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Section 12H.18.(b)

“During the 2013-2015 fiscal biennium, the Department of Health and Human Services shall withhold three percent (3%) of payments for the following services rendered to Medicaid and NC Health Choice recipients on or after January 1, 2014:

- (1) Inpatient hospital.
- (2) Physician, excluding primary care until January 1, 2015.
- (3) Dental.
- (4) Optical services and supplies.
- (5) Podiatry.
- (6) Chiropractors.
- (7) Hearing aids.
- (8) Personal care services.
- (9) Nursing homes.
- (10) Adult care homes.
- (11) Dispensing drugs.

Funds from payments withheld under this section that are budgeted to be shared with providers shall not revert to the General Fund”



Timeline

- 12/31/13: Publish Public Notice for 3% rate reduction
- 1/1/14: Implement rates reduced by 3% in CSC
- **3/1/14: Report on Shared Savings Methodology to Joint Legislative Oversight Committee**
- 3/31/14: Submit State Plan Amendment (SPA) for rate reduction to CMS
- 6/30/14: Publish Public Notice for Shared Savings
- 7/1/14: Shared Savings Plan implemented
- 9/30/14: Submit SPA for Shared Savings to CMS
- 1/1/15: Payments to providers for Shared Savings Plan



CHALLENGES

- **Difficulty reaching consensus among providers on evidence based interventions and benchmarks**
- **Aggressive Timeline for implementation**
- **Lack of clarity about incentives**
- **Difficulty of smaller provider types to achieve savings**



SUMMARY

- The language of this provision poses challenges to implement
 - Provider input is critical in the development of any Shared Savings program
 - Extensive outreach to all providers continue
 - DMA will reach the deadlines set by law
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- All Shared Savings material on <https://www.ncdhhs.gov/dma/plan/index.htm>
 - Send public comments to DMA.NCSharedSavings@lists.ncmail.net