

North Carolina Department of Health and Human Services

Pat McCrory
Governor

Aldona Z. Wos, M.D.
Ambassador (Ret.)
Secretary DHHS

November 1, 2013

The Honorable Ralph Hise, Co-Chair
Joint Legislative Oversight Committee on
Health and Human Services
North Carolina Senate
Room 1026, Legislative Office Building
Raleigh, North Carolina 27601-2808

The Honorable Mark Hollo, Co-Chair
Joint Legislative Oversight Committee on
Health and Human Services
North Carolina House of Representatives
Room 639, Legislative Office Building
Raleigh, North Carolina 27603-5925

The Honorable Justin Burr, Co-Chair
Joint Legislative Oversight Committee on
Health and Human Services
North Carolina House of Representatives
Room 307A, Legislative Building
Raleigh, North Carolina 27603-5925

Dear Senator Hise and Representatives Burr and Hollo:

This status report is submitted to the Joint Legislative Oversight Committee on Health and Human Services, pursuant to the Requirements of S.L. 2013-306. This report is the final required implementation status report on Adjusting Medicaid Personal Care Services to provide additional safeguards for qualified individuals. Please direct questions concerning this report to Rick Brennan at Richard.brennan@dhhs.nc.gov or 919.855.4100.

Sincerely,

A handwritten signature in black ink, appearing to read "Wos", written over a horizontal line.

Aldona Z. Wos, M.D.

cc:

Sandra Terrell
Dave Richard
Adam Sholar
Jim Slate
Pam Kilpatrick
Susan Jacobs
Denise Thomas
Patricia Porter

Rick Brennan
Sabrena Lea
Matt McKillip
Sarah Riser
Kristi Huff
Brandon Greife
Steve Owen
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Telephone 919-855-4800 • Fax 919-715-4645

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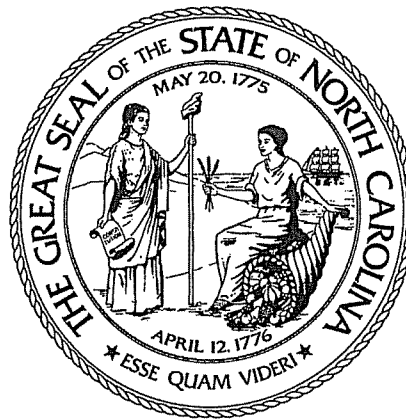
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Legislative Report

**Plan for Adjusting Medicaid Personal Care Services to Provide
Additional Safeguards for qualified individuals and to Report to the
House Appropriations Subcommittee on Health and Human Services,
the Senate Appropriations Committee on Health and Human Services
and to the Joint Legislative Oversight Committee on Health and Human
Services**

**SESSION LAW 2013-306
HB 492**



**State of North Carolina
Department of Health and Human Services
Division of Medical Assistance**



**November 1, 2013
IMPLEMENTATION REPORT**

Legislative Mandate

1. Session Law 2013-306 HB 492 Section 3 mandated that the Department of Health and Human Services submit to the Centers for Medicare and Medicaid Services a Medicaid State Plan Amendment on or before August 15, 2013 adding an additional 50 hours of Personal Care Services to qualified recipients for a total of up to 130 hours per month in accordance with an assessment and a plan of care. The State Plan Amendment is to include an effective date of July 1, 2013, or as soon after July 1, 2013, as allowed by the Centers for Medicare and Medicaid Services.

- a. SECTION 10.9F.(c) A Medicaid recipient who meets each of the following criteria is eligible for up to 80 hours of personal care services:
 - (1) The recipient has a medical condition, disability, or cognitive impairment and demonstrates unmet needs for, at a minimum, (i) three of the five qualifying activities of daily living (ADLs) with limited hands-on assistance; (ii) two ADLs, one of which requires extensive assistance; or (iii) two ADLs, one of which requires assistance at the full dependence level.
 - (2) The recipient (i) resides in a private living arrangement, a residential facility licensed by the State of North Carolina as an adult care home, or a combination home as defined in G.S. 131E-101(1a); or (ii) resides in a group home licensed under Chapter 122C or the General Statutes Statutes and under 10A NCAC 27G .5601 as a supervised living facility for two or more adults whose primary diagnosis is mental illness, a developmental disability, or substance abuse dependency, and is eligible to receive personal care services under the Medicaid State Plan.

The five qualifying ADLs are eating, dressing, bathing, toileting, and mobility. For Medicaid recipients meeting the criteria above, Personal care services shall be available for up to 80 hours per month in accordance with an assessment conducted under subsection (d) of this section and a plan of care developed by the service provider and approved by the Department of Health and Human Services, Division of Medical Assistance, or its designee.

- b. SECTION 10.9F. (c) (3) A Medicaid recipient who meets the eligibility criteria provided in subdivisions (1) and (2) of this subsection and all of the criteria provided below is eligible for up to 50 additional hours of Medicaid Personal Care Services (PCS) per month for a total of up to 130 hours per month in accordance with an assessment and a plan of care.
 - i. The recipient requires an increased level of supervision.
 - ii. The recipient requires caregivers with training or experience in caring for individuals who have a degenerative disease, characterized by irreversible memory dysfunction, that attacks the brain and results in impaired memory, thinking, and behavior, including gradual memory loss, impaired judgment, disorientation, personality change, difficulty in learning, and the loss of language skills.

- iii. Regardless of setting, the recipient requires a physical environment that includes modifications and safety measures to safeguard the recipient because of the recipient's gradual memory loss, impaired judgment, disorientation, personality change, difficulty in learning, and the loss of language skills.
 - iv. The recipient has a history of safety concerns related to inappropriate wandering, ingestion, aggressive behavior, and an increased incidence of falls.
- 2. SECTION 4. (a) On or before August 1, 2013, the Department of Health and Human Services shall make an interim report on the implementation of this act to the Joint Legislative Oversight Committee on Health and Human Services and to the Fiscal Research Division. The report shall include the following: (i) an estimate of the number of Medicaid recipients that would be eligible for Medicaid Personal Care Services under this act, (ii) an estimate of the number of PCS hours potential recipients would need broken out in increments of 10 hours between 80 and 130 hours, (iii) a copy of the draft Medicaid State Plan Amendment (SPA), (iv) an estimated time line for approval of the SPA and a projected implementation date, and (v) the rate reductions necessary to implement this act.
- 3. SECTION 4. (b) On or before November 1, 2013, the Department of Health and Human Services shall report on the implementation of this act to the Joint Legislative Oversight Committee on Health and Human Services.

Implementation Summary

State Plan Amendment (SPA) for PCS

On October 2, 2013 the NC-Department of Health & Human Services (DHHS) submitted State Plan Amendment 13-009 (Personal Care Services) to the Centers for Medicare and Medicaid Services (CMS) for review and approval. The state plan changes outlined in SPA 13-009 reflect the mandates by North Carolina Session Law 2013-306. Though the SPA has an effective date of October 1, 2013, the changes to the program contained in the SPA will not be implemented by DMA until approval is obtain from CMS.

Clinical Coverage Policy PCS-3L

The Personal Care Services (PCS) clinical coverage policy was amended to adjust the criteria for eligibility and service limits in accordance to North Carolina Session Law 2013-306. Clinical Coverage Policy 3L was posted for DHHS internal comment September 13, 2013 through September 23, 2013 for feedback and recommendations. In addition, the policy was submitted to NC Division of Medical Assistance (DMA) Physician Advisory Group (PAG) for review and consultation. The PAG met on September 26, 2013 and gave approval to move forward with PCS 3 L clinical coverage policy. Policy recommendations and feedback were reviewed and changes were made as

necessary. Clinical Coverage Policy 3L was posted for 30-day public comment for stakeholder feedback and recommendations in early October, 2013.

Independent Assessment Entity (IAE) Transition

In May 2013, the Independent Assessment Entity (IAE) contract was awarded to Liberty Health Care Corporation- NC. The IAE processes requests for assessments that determine eligibility and level of service for the PCS program as well as processes changes of status and provider. In addition, the IAE conducts face-to-face assessments statewide and communicates technical denials, adverse notices, and prior approvals (PAs) to the beneficiaries and providers. The IAE was fully operational on October 1, 2013. The IAE utilizes QiRePort, an automated provider interface, to manage scheduling and processing assessments, and determining eligibility and level of service.

Referral Form & Independent Assessment

In accordance with Session Law 2013-306, the PCS program made enhancements to the PCS referral form and independent assessment tool to adjust the availability of hours for personal care services. The PCS referral form now includes a physician attestation, requiring a physician to attest that a beneficiary meets the eligibility criteria mandated by Session Law 2013-306. The PCS referral form was developed by the DMA with input from the PCS Stakeholder group. DMA will continue to work with stakeholders and contractors to make refinements to the form as needed.

Effective October 1, 2013, Liberty Healthcare Corporation-NC was the independent assessment entity IAE designated by the DMA. DMA provided guidance to the IAE on how to accept and process the PCS referral form for additional hours of PCS mandated by Session Law 2013-306. The updated PCS referral form was effective October 1, 2013.

DMA is authorizing a 30 day grace period for the submission of referral forms for additional PCS hours. The grace period is offered to ensure beneficiaries have adequate time to receive physician attestation and submit a timely referral for additional PCS hours. Pending a timely submission of the PCS referral form beneficiaries will receive additional hours of PCS if deemed eligible through an independent assessment conducted by the IAE.

Rate

The DMA submitted a state plan amendment, which amends the rate of PCS to implement session law 2013-306 from \$3.88 per 15 minutes of service per unit to \$3.28 per 15 minutes of service per unit. Once approval is received from CMS, the rate will take effect October 1, 2013 as stated in the public notice posted August 16, 2013.

Stakeholder Communications

DMA continues to host weekly stakeholder meetings to provide the opportunity for stakeholders in North Carolina who have an interest in the development and implementation of the PCS program to collaborate and share their recommendations. The meetings are conducted face to face and by teleconference. The meetings are designed to share project status, gather input and identify next steps.

On September 25, 2013, the NC-DMA hosted a PCS Summit in Durham, NC for the PCS stakeholder community. The purpose of the PCS Summit was to provide a platform for all interested stakeholders (internal and external) to receive updates regarding the upcoming changes to the PCS program. The Summit addressed upcoming changes to the PCS program, such as the implementation of Session Law 2013-306, the PCS referral form, and the introduction of the new independent assessment entity (IAE) Liberty Healthcare Corporation-NC. Over 350 participants attended the PCS Summit.

In addition, DMA convenes weekly PCS Transition Meetings with Contractors. Other participants include staff from the Division of Aging and Adults Services, Health Service Regulation, and Mental Health/Developmental Disabilities and Substance Abuse Services. Participating contractors are Liberty Healthcare-NC, VieBridge, Public Consulting Group (PCH), Office of Administrative Hearings, and others as needed.