



Health and
Human Services

Pat McCrory
Governor

Richard O. Brajer
Secretary

January 15, 2016

SENT VIA ELECTRONIC MAIL

The Honorable Marilyn Avila, Chairman
House Appropriations Subcommittee on
Health and Human Services
North Carolina General Assembly
Room 2217, Legislative Building
Raleigh, NC 27601-1096

The Honorable Josh Dobson, Chairman
House Appropriations Subcommittee on
Health and Human Services
North Carolina General Assembly
Room 301N, Legislative Office Building
Raleigh, NC 27603-5925

The Honorable William Brisson, Chairman
House Appropriations Subcommittee on
Health and Human Services
North Carolina General Assembly
Room 405, Legislative Office Building
Raleigh, NC 27603-5925

The Honorable Chris Malone, Chairman
House Appropriations Subcommittee on
Health and Human Services
North Carolina General Assembly
Room 603, Legislative Office Building
Raleigh, NC 27603-5925

Dear Chairmen:

Session Law 2015-241, Section 12A.17 requires the Department of Health and Human Services to coordinate with the Government Data Analytics Center (GDAC) to develop and implement a pilot program for Medicaid claims analytics and population health management utilizing the existing GDAC public-private partnership to apply analytics to maximize healthcare savings and efficiencies to the State and positive impacts on health outcomes.

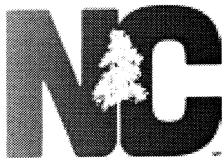
In addition, Session Law 2015-241, Section 12A.17.(d) requires a progress report be submitted to the Senate and House Appropriations Committees on Health and Human Services and the Fiscal Research Division by January 15, 2016. Pursuant to the provisions of law, the Department of Health and Human Services, in collaboration with the Department of Information Technology, is pleased to provide the attached report.

Please contact Joe Cooper, DHHS Chief Information Officer, should you have any questions regarding this report. He can be reached at (919) 855-3000.

Sincerely,

Richard Brajer





Health and
Human Services

Pat McCrory
Governor

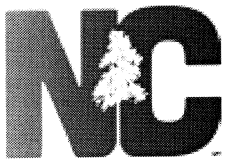
Richard O. Brajer
Secretary

Attachment

cc:	Keith Werner	Joe Cooper	Meghan Cooke	Brian Perkins
	John Correllus	Theresa Matula	Patricia Porter	Marjorie Donaldson
	Brandon Greife	Sarah Newton	Joyce Jones	Susan Jacobs
	Denise Thomas	Rod Davis	Chloe Gossage	Pam Kilpatrick
	Reports@ncleg.net			



State of North Carolina | Department of Health and Human Services
101 Blair Drive, Adams Building | 2001 Mail Service Center | Raleigh, NC 27699-2001
919 855 4800 T | 919 715 4645 F



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Human Services

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January 15, 2016

SENT VIA ELECTRONIC MAIL

The Honorable Ralph Hise, Co-Chair
Senate Appropriations Subcommittee on
Health and Human Services
North Carolina General Assembly
Room 1026, Legislative Building
Raleigh, NC 27601-2808

The Honorable Louis Pate, Co-Chair
Senate Appropriations Subcommittee on
Health and Human Services
North Carolina General Assembly
Room 1028, Legislative Building
Raleigh, NC 27601-2808

The Honorable Tommy Tucker, Co-Chair
Senate Appropriations Subcommittee on
Health and Human Services
North Carolina General Assembly
Room 1127, Legislative Building
Raleigh, NC 27601-2808

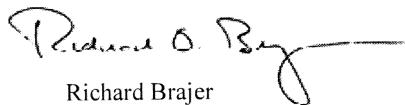
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Please contact Joe Cooper, DHHS Chief Information Officer, should you have any questions regarding this report. He can be reached at (919) 855-3000.

Sincerely,



Richard Brajer





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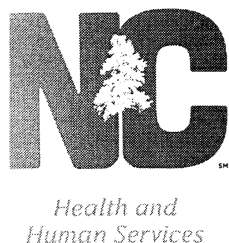
Richard O. Brajer
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Richard O. Brajer
Secretary

January 15, 2016

SENT VIA ELECTRONIC MAIL

Mr. Mark Trogdon, Director
Fiscal Research Division
Suite 619, Legislative Office Building
Raleigh, NC 27603-5925

Dear Director Trogdon:

Session Law 2015-241, Section 12A.17 requires the Department of Health and Human Services to coordinate with the Government Data Analytics Center (GDAC) to develop and implement a pilot program for Medicaid claims analytics and population health management utilizing the existing GDAC public-private partnership to apply analytics to maximize healthcare savings and efficiencies to the State and positive impacts on health outcomes.

In addition, Session Law 2015-241, Section 12A.17.(d) requires a progress report be submitted to the Senate and House Appropriations Committees on Health and Human Services and the Fiscal Research Division by January 15, 2016. Pursuant to the provisions of law, the Department of Health and Human Services, in collaboration with the Department of Information Technology, is pleased to provide the attached report.

Please contact Joe Cooper, DHHS Chief Information Officer, should you have any questions regarding this report. He can be reached at (919) 855-3000.

Sincerely,

A handwritten signature in black ink, appearing to read 'Richard O. Brajer'. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Richard Brajer

Attachment





Pat McCrory
Governor

Richard O. Brajer
Secretary

cc: Keith Werner
John Correllus
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Progress Report: Funds for Development of Health Analytics Pilot Program

Legislative Request:

Session Law 2015-241, Section 12A.17.(a) appropriated funds to the Department of Health and Human Services, Division of Central Management and Support, for the development and implementation of a pilot program for Medicaid claims analytics and population health management.

Session Law 2015-241, Section 12A.17.(b) requires the Department of Health and Human Services to coordinate with the Government Data Analytics Center (GDAC) to develop the pilot program and utilize the existing GDAC public-private partnership to apply analytics to maximize healthcare savings and efficiencies to the State and positive impacts on health outcomes.

Session Law 2015-241, Section 12A.17.(c) requires the Department of Health and Human Services and GDAC to execute contractual and data sharing agreements necessary by November 30, 2015.

Session Law 2015-241, Section 12A.17.(d) requires a progress report submitted to the Senate and House Appropriations Committees on Health and Human Services and the Fiscal Research Division by January 15, 2016. By May 31, 2016, the Department of Health and Human Services and GDAC shall provide a final report on findings and recommendations on the pilot program to the Joint Legislative Oversight Committee on Health and Human Services, the Joint Legislative Oversight Committee on Information Technology, and the Fiscal Research Division.

Pilot Summary:

The Department of Health and Human Services (DHHS) and GDAC have partnered in the submission this report, but more importantly, in the delivery of a Medicaid pilot project. The objective of the pilot is to provide healthcare-specific advanced analytics utilizing 27 months of Medicaid claims data to better understand population health and inform/transform health management and outcomes for North Carolina.

To achieve this objective, the pilot will use existing SAS-provided health analytics models applied to NC Medicaid data to demonstrate the value of usability of the application of visual analytics and drill-down capabilities to transform data into information to provide point-in-time and trending information regarding the Medicaid program. Areas of focus identified include:

1. Site of Service Analysis – Assist the State in understanding the amount and type of care being provided for qualified Medicaid beneficiaries by facility type (site) – hospital inpatient, doctor's office, emergency room, clinic, etc. – and the cost associated with that particular care. Additional analysis understanding the populations within the site include types of patients, where they are from, where are they being treated, and services received and projected trends.

2. Eligibility Category Analysis – Assist the State in understanding how much of the population is cared for under that category or program and how each population group attributes to the total cost. Further analysis to understand population cost, utilization, demographics, and projected trends.
3. Prescription – Assist the State in understanding the therapeutic drug codes (e.g. GC3, GCN, NDC) being prescribed within population categories, their utilization, and trends.
4. Super utilizers - Assist the State in understanding associated costs within population types. An analysis of the percentage costs associated with the top 1%, 2-5%, and 6-10%. A correlation with the types of conditions, demographics, services, and identification of what triggers them as a super utilizer.
5. FFS/MCO/ACO – Assist the State in understanding the population within Medicaid. A look at which plan seems to perform better at managing costs and outcomes. Additional analysis within and across plans to understand cost and outcomes and the association of conditions, population and provider and big outlier management.

Progress:

The Medicaid pilot is underway. The following key milestones have been completed:

- Identified executive steering committee and project committee members – 10/15/15
- Identified business and data requirements – 10/15/15
- Executed necessary Data Use Agreements, Business Associate Agreements, and Contractual Agreements – 12/15/15
- Completed secure data transmission process testing – 12/15/15
- Established technical environment – 12/15/15
- Initial data provided to support analytic activities – 01/16/16

Next steps in this process include the integration of data and the development of the analytics. Key milestones to support this effort include:

- Exploratory Data Analysis of Medicaid claims warehouse data
- Transformation and enhancement of current warehouse data into formats needed for selected automated reporting and analysis
- Configure 5 key focus area reporting and analytics. Each focus area includes approximately 10 interactive multidimensional reports.
- Complete user acceptance testing and training

- Implementation and delivery

The planned delivery of analytics is April 30, 2016. This tool will be distributed to DHHS for assessment and evaluation.

By May 31, 2016, the Department of Health and Human Services and GDAC shall provide a final report on findings and recommendations on the pilot program to the Joint Legislative Oversight Committee on Health and Human Services, the Joint Legislative Oversight Committee on Information Technology, and the Fiscal Research Division