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DIVISION OF MEDICAL ASSISTANCE

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DEPUTY SECRETARY FOR MEDICAL ASSISTANCE

April 1, 2017

**SENT VIA ELECTRONIC MAIL**

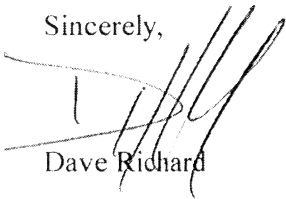
The Honorable Louis Pate, Co-Chair  
Joint Legislative Oversight Committee on  
Health and Human Services  
North Carolina General Assembly  
Room 311, Legislative Office Building  
Raleigh, NC 27603-5925

The Honorable Josh Dobson, Co-Chair  
Joint Legislative Oversight Committee on  
Health and Human Services  
North Carolina General Assembly  
Room 301N, Legislative Office Building  
Raleigh, NC 27603-5925

Dear Chairmen:

Session Law 2014-100 and Session Law 2015-241 requires the transfer of certain services to the Eastern Band of Cherokee Indians. Session Law 2015-241, Section 12C.10.(h) requires the Department of Health and Human Services to report quarterly on the status of implementation, beginning on October 1, 2015 and ending when implementation is complete. Pursuant to the provisions of law, the Department is pleased to provide the following report.

Sincerely,



Dave Richard

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# **Status of Implementing Legislation Regarding the Eastern Band of Cherokee Indians**

**Session Law 2015-241, Section 12C.10.(h)**



**Report to  
The Joint Legislative Oversight Committee on  
Health and Human Services**

**By**

**North Carolina  
Department of Health and Human Services**

**April 1, 2017**

## **Status of Implementing Legislation Regarding the Eastern Band of Cherokee Indians**

### **Reporting Requirements**

North Carolina Session Law (SL) 2014-100 and SL 2015-241 require the transfer of certain services to the Eastern Band of Cherokee Indians (EBCI), and modifications and enhancements to the Medicaid, NC Health Choice and Food and Nutrition Services (FNS) programs to accomplish the identified goals. SL 2015-241 establishes the quarterly reporting requirement on the status of implementation of Section 12C to begin October 1, 2015, and end when implementation is complete. The NC Department of Health and Human Services (DHHS or Department) in collaboration with the EBCI Public Health and Human Services (PHHS) provides the following report in accordance with SL 2014-100 as amended by SL 2015-241.

### **Background**

An estimated 15,500 North Carolinians are members of the EBCI Tribal trust lands in Cherokee, Graham, Haywood, Jackson, and Swain counties (hereafter referred to as Counties). EBCI is a federally recognized Indian tribe under federal law and is asserting its inherent sovereign authority to assume responsibility for certain human services by April 1, 2017.

SL 2014-100, Section 12C.3, and SL 2015-241, Section 12C.10 initially authorized the EBCI Tribe to assume responsibility for certain social services including Medicaid, NC Health Choice and FNS public assistance programs, and ancillary services, including Medicaid administrative and service related functions and related reimbursements no later than October 1, 2016. Pursuant to SL 2016-94, Section 12C.2(a), the General Assembly extended the date when EBCI shall assume the above stated functions to be no later than April 1, 2017.

### **Implementation Update**

Transition meetings continued throughout the quarter (January, 2017-March, 2017) among the PHHS, the County Departments of Social Services (County DSS), and the DHHS Office of the Secretary, Division of Medical Assistance (DMA), Division of Aging and Adult Services (DAAS), and Division of Social Services (DSS) targeting the transition of the child and adult protective services and guardianship cases remaining in the Counties and the management of new referrals. Tribal Council approved the guardianship and adult protective service laws in February, 2017. This action enables the Tribal and State courts to conduct the required judicial actions for transfer of adult cases as appropriate.

## **Implementation Update for NC Medicaid, NC Health Choice and FNS**

Executive leadership from DHHS and the Tribe continued to collaborate on the project to ensure a successful transfer of services from the county DSS offices to EBCI. The Department remains fully committed to assisting EBCI to ensure a smooth transition of Medicaid and FNS services from the applicable county DSS offices to the Tribe.

In anticipation of the April 2017 assumption of responsibility for certain administrative and service related functions, EBCI completed building the required infrastructure, workflows and policies for its case workers. EBCI worked closely with DHHS to implement the DMA and DSS training plan to ensure staff have the needed resources to responsibly assume administration of these programs. Implementation of the plan began in December and continued through March. EBCI and DHHS identified best practices for case transfer. DSS County offices prepared to transfer appropriate county DSS cases on the Qualla Boundary to EBCI administration. A plan is in place to transfer any remaining county DSS cases on the Qualla Boundary after the project goes live with EBCI.

At-Risk and Non-Emergency Medical Transportation (NEMT) service parameters and administrative claiming procedures were finalized. DHHS conducted extensive training for new EBCI case workers and staff. EBCI hosted meetings with county DSS staff to work through transition challenges.

During this quarter, the DHHS Project Management Office (PMO) provided oversight of changes to NC Families Accessing Services through Technology (NC FAST), NCTracks and all legacy systems. The PMO also participated in the implementation of training plans, procedures, and processes to adapt EBCI to the DHHS Medicaid, FNS and NC Health Choice processes. The PMO was also involved in the review and oversight of testing, and completing all software system changes. The PMO also worked with Department of Information Technologies (DIT) managing the project within the DIT requirements.

NC FAST made final system changes in February and March. System interface partner testing was executed with various DHHS divisions to ensure that seamless end-to-end processing would occur. System partner testing was also successfully conducted with an external system partner for FNS electronic benefits transfer (EBT) transaction processing. In addition, the NC FAST - EBCI Medicaid - Initial Child Support Referral Report was completed and deployed. NC FAST on-site user system training was conducted in mid-February through the end of March. Post system implementation user-support was planned for early April to ensure smooth program(s) rollout. After EBCI goes live, NC FAST plans to provide support for the transfer of cases from counties to EBCI for program administration. NC FAST participated in the preparation of the mass distribution of notices to affected participants on the boundary starting in May.

The third and final release of NCTracks was delivered on March 12<sup>th</sup>, 2017. It contained the final changes to the application for the EBCI Project including address processing of the administrative unit 200 code and update the claims and finance processing systems for required changes.

During this quarter, DHHS staff completed the changes required by the legacy applications affected by the EBCI Project. Testing and user acceptance for these applications was performed and the applications were made ready for go live roll out.

During the first quarter of 2017, DMA completed all Centers for Medicare and Medicaid Services (CMS) requirements for the Single State Agency State Plan Amendment (SPA). Approval was imminent but delays in process due to the federal Administrative post-election transition delayed approval. The Single State Agency (SPA) was given final approval from CMS in February. The Medicaid EBCI State Plan Amendment (SPA) was

also approved on February 24, 2017. The separate NC Health Choice (Title XXI Children's Health Insurance Program) SPA is submitted with CMS and is being reviewed.

The Department completed a master agreement between DHHS and the Tribe to define the scope of services for which federal financial participation can be secured. This process was a collaborative effort between DHHS Office of the General Counsel, EBCI Office of the Attorney General, DHHS Office of the Controller (OC), Division of Medical Assistance (DMA) and the Department of Social Services (DSS).

DHHS and EBCI continues to collaborate around issues concerning data and security for Medicaid and NC Health Choice program eligibility determinations. IRS data is an integral part of the eligibility process and is required in order to complete project training and case transfers and the project is not able to deliver the final system for Medicaid, SNAP and HealthChoice on the expected April 1, 2017. All the project's other tasks and requirements have been completed by both DHHS and the EBCI. Joint efforts are being made now and are expected to continue into the next quarter.

### **Additional Initiatives**


Substantial collaboration between DHHS and EBCI continues regarding the 1115 Medicaid Waiver submitted on June 1, 2016. There have been several discussions between DHHS and the Cherokee Indian Hospital Authority (CIHA) prepare for the Tribal Managed Care Organization (MCO) as described in the 1115 Waiver application. In the upcoming quarter, DHHS, the PHHS and Cherokee Indian Hospital Authority (CIHA) plan to conduct additional work sessions to include discussions about mechanisms for addressing identified health disparities for the Cherokee, and approaches for the Tribe to assist the region in access to quality healthcare.

DHHS and EBCI have taken steps to implement the policy changes that went into effect based on the February 26, 2016, CMS State Health Official letter (SHO) #16-002 rule change in payment policy affecting federal funding for services received by AI/AN Medicaid-eligible individuals through facilities of Indian Health Service (IHS) or referred to non-Tribal providers at a rate of 100 percent Federal Medical Assistance Percentage (FMAP). The programmatic and administrative changes required by EBCI are underway. Additional sessions will be conducted between DMA and CIHA in the upcoming quarter to ensure that documentation is submitted to NCTracks to track the referrals to non-native providers.

Attachment A: Timeline of Implementation Phases.

Attachment B: EBCI Project Timeline

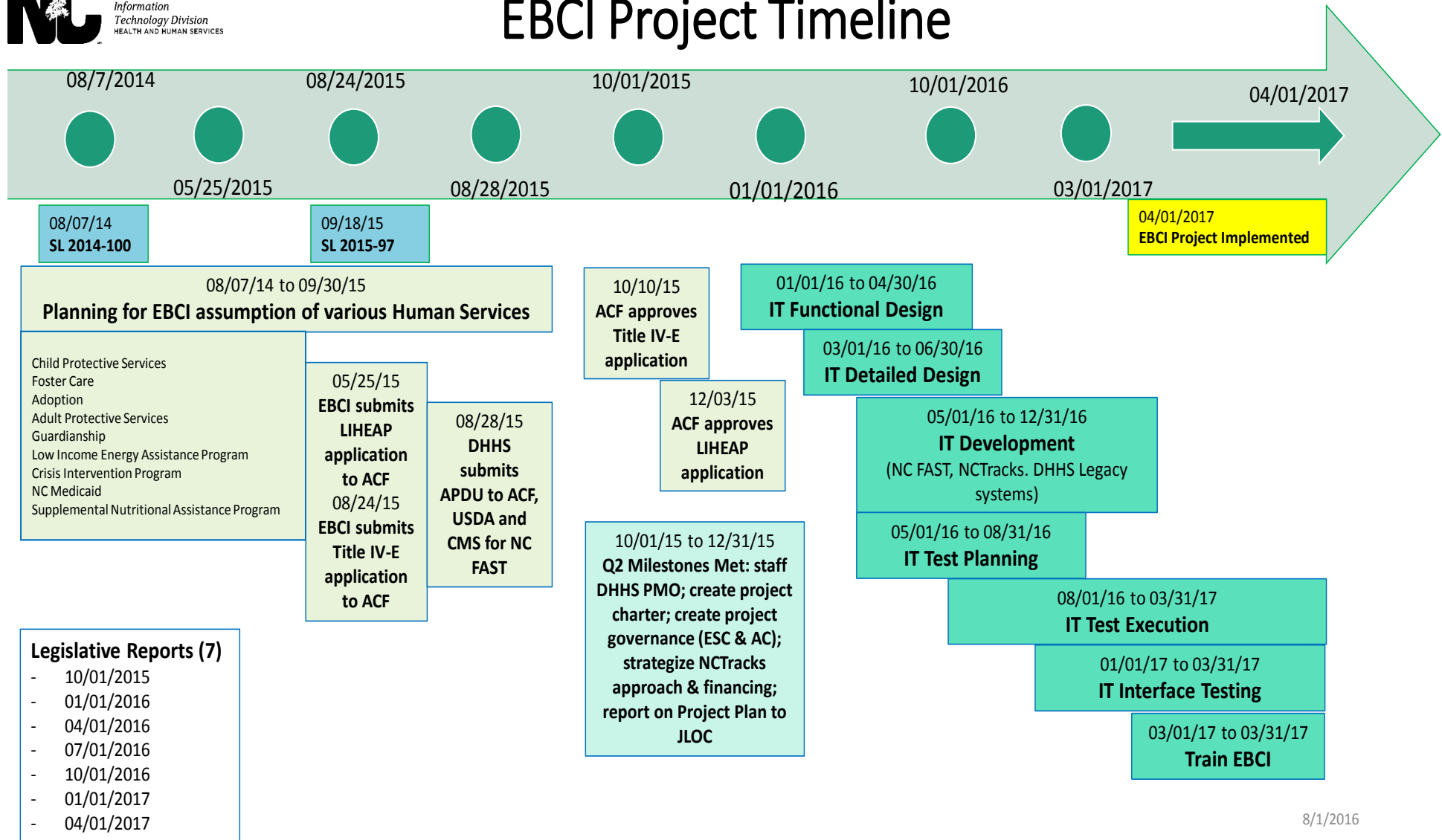
Note that DHHS and EBCI have completed an implementation plan with timelines and action steps once the IRS issues are resolved. However, a new time line cannot be accurately represented until resolution with the IRS occurs, due to the indeterminate nature of the IRS timeline for review.

 <b>DHHS EBCI Medicaid-SNAP Project</b>														
Timeline of Project Implementation														
Jan '16 Month 1	Feb '16 Month 2	Mar '16 Month 3	Apr '16 Month 4	May '16 Month 5	Jun '16 Month 6	Jul '16 Month 7	Aug '16 Month 8	Sep '16 Month 9	Oct '16 Month 10	Nov '16 Month 11	Dec '16 Month 12	Jan '17 Month 13	Feb '17 Month 14	Mar '17 Month 15
IT Functional Design														
		IT Detailed Design												
				IT Development										
				IT Test Planning										
							IT Test Execution							
												IT Interface Testing		
														Training

**Assumptions:**

- All approvals (SSA, CMS, USDA, IRS and NC Agency agreements) and funding are in place prior to start;
- NC FAST is the driving force for design and implementation and requires 15 months from the start date;
- Timeline based on requirements identified and documented by business analysts assigned to this effort;
- Interface testing with all systems can be conducted in the remaining 3 months based on each downstream application timeline (schedule contingency +3 months);
- Estimates provided based on DHHS IT staff only; additional effort required by business staff to support efforts not shown;
- EBCI will use NC FAST to administer SNAP and the NC Food and Nutrition Services programs, and for Medicaid and NC Health Choice program eligibility determination;
- SNAP and Medicaid (includes Health Choice) are the only programs in scope at this time for EBCI;
- Maximus application listed is a county vendor supported system (interface for electronic reimbursement process) and is out of scope in this schedule analysis; EBCI needs to determine solution for reporting to the state;
- Both CMS and USDA will approve the EBCI data sharing request;
- Project close-out phase unknown and not indicated (schedule contingency +3 months);
- NCTracks requires system modifications to allow for the proper administration of the Medicaid/NC Health Choice programs; other DHHS system changes are also required to accommodate the exchange of new EBCI data.

# EBCI Project Timeline



8/1/2016