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Joint Legislative Oversight Committee on Health and Human Services  
Medicaid Reform/Division of Medical Assistance Reorganization Subcommittee  
Public Hearing – October 20, 2014

Comments from AARP North Carolina

AARP North Carolina is pleased to offer these comments on Medicaid reform in North Carolina.

AARP is a nonprofit, nonpartisan organization, with a membership of 1.1 million members in North Carolina, that helps people 50+ have independence, choice and control in ways that are beneficial to them and society as a whole.

### **General Statement**

In addressing Medicaid reform, AARP North Carolina believes that we need to build on the things that are working in our state, and we need to allow adequate time to implement a capitated plan. Rather than offer comments on what the organizational structure for Medicaid should be, as a consumer advocacy organization, our comments will focus on principles which we trust will be front and center in Medicaid reform to ensure it is consumer focused.

### **Principles of Medicaid Reform**

1. **Consumer engagement is critical.** Medicaid is more likely to meet consumer needs if consumers and advocates are involved at all levels of planning and implementation. As a consumer organization, we offer our assistance in this effort.
2. **Better health is the bottom line.** Meaningful reform must address the central role that poor health outcomes play in health care costs. Ensuring access to and utilization of preventive and primary care will reduce costs in the long run.
3. **Successful Medicaid reform treats the whole person.** It is imperative to offer comprehensive services to improve health outcomes. This includes ensuring that aged, blind, and disabled adults continue to have access to the optional services that are now part of our state's Medicaid benefit package. If services such as physical therapy and dental care are not offered on the front end, history has shown that there is often a bigger cost on the back end due to increased admissions to acute care facilities and long-term care facilities.

4. **Special needs require special accommodations.** Care that is well suited to the average patient may not be adequate for persons with complex health needs such as children with special needs, people with disabilities and the frail elderly. Often these individuals rely on particular care providers who are capable of delivering a full range of appropriate services.
5. **Expanding home and community-based services can improve outcomes and save money.** Care for persons who depend on long-term services and supports should use proven care models that are based on consumer choice and self-direction. We need to take steps to further strengthen our home and community based care programs, including taking advantage of opportunities we have not currently explored as a state. In addition, we need to look at ways to support the family caregivers of those receiving services so they can continue to be an integral part of the care delivery system. By the way, as you may know, family caregivers provide 80% of the care to those in need of assistance.
6. **Medicaid reform requires a robust provider network.** It is imperative that patients have a choice of providers and they do not have to wait long or travel long distances for necessary care.
7. **Means to ensure quality and accountability must be in place.** A few of the recommendations we offer in this regard are as follows: Quality and accountability standards need to be spelled out in contract agreements. The management information system for the reformed system needs to capture the information needed to effectively manage the system.

We advocate for the creation of an independent ombudsman to maintain a consumer hotline, to address consumer complaints, to identify problems and propose solutions to the state, and to issue a report annually which is made public on the type and number of complaints. There also needs to be a consumer friendly appeals process in place.

Last but not least, payment rates need to adequately reflect the cost of providing comprehensive care to the population served, which needs to be higher for people with complex health needs.

Thank you again for this opportunity to provide these comments.