



**Joint Legislative Oversight Committee
on Medicaid and Health Choice**

November 29, 2016



**Department of Health and Human Services
Rick Brajer, Secretary**



Agenda

- **LME/MCO update**
- **Access Monitoring Review Plan**
- **Potential implications of new Trump administration on Medicaid Reform**



LME/MCO update

Required operational alignment:

- TCLI**
- Children with Complex Needs**
- Child Welfare Program Improvement Plan**
- ADATC transition**
- Governor's Task Force on Mental Health and Substance Use pilots**

Working with CEOs on:

- Emergency Departments**
- Reinvestments in community-based services**
- Integration with physical health**
- Developmental Disabilities Wait List (Innovations Waiver)**
- Implementation of Medicaid Managed Care rule**



Access Monitoring Review Plan

- New federal rules require an access monitoring review plan for Medicaid fee-for-service (FFS) services to be submitted by Oct. 1, 2016
- After reviewing with Medical Care Advisory Committee and public comment period, North Carolina submitted its plan to CMS on Sept. 30, 2016
- Rules require Medicaid agencies (minimum) to monitor access to five service areas continuously including:
 - Primary care services (includes dental services)
 - Home health
 - Labor and delivery (pre and post-natal)
 - Behavioral health
 - Physician specialty services



Access Monitoring Review Plan

- General impressions from access monitoring plan submitted to CMS:
 - Access to Medicaid services for children is good (90%)
 - Utilization (measured in visits/1000 Medicaid beneficiaries) decreased from 2014 to 2015 for most services including primary care and home health services
 - No commensurate increase in emergency department visits – where those experiencing access issues are likely to arrive
 - No increase in inpatient hospital admissions
 - Continual monitoring will be ongoing
- Agency required to update the plan by July 1 each year



Potential implications of new Trump administration on Medicaid Reform

- President-elect Trump's transition plan states that the new administration intends to provide "maximum flexibility for States in administering Medicaid, to enable States to experiment with innovative methods to deliver healthcare to our low-income citizens"
- Speaker Ryan's "A Better Way" plan from 2016 disallows new Medicaid expansion, phases down the enhanced expansion match after 2019 to a state's normal FMAP level, and gives states "a choice of either a per capita allotment, or a block grant"
- However, several GOP governors, including Vice President-elect Pence and Governors Kasich and Christie, chose to expand Medicaid in their states (sometimes including personal responsibility incentives)

Sources: Consultants and Wall Street Journal



Potential implications of new Trump administration on Medicaid Reform

- There is some risk to expansion match rate and certain funding innovations, until more clarity emerges on the direction of changes
- If stringent per-capita caps are introduced, states will need to manage within them, and thus will need to review and potentially update relationships and incentive models with both MCOs and providers
- Because exact policy details are currently unclear, it will be important for all stakeholders to monitor appointments at HHS and CMS, and to keep alert for indications of how the new Congress views Medicaid reform

Capping Funding, Empowering States, Increasing Flexibility