

**JOINT LEGISLATIVE OVERSIGHT COMMITTEE
ON MEDICAID AND NC HEALTH CHOICE**



Medicaid Transformation Update

Dave Richard

Jay Ludlam

Department of Health and Human Services

January 12, 2021



North Carolina's Vision for Medicaid Transformation

“To improve the health of North Carolinians through an innovative, whole-person centered, and well-coordinated system of care that addresses both the medical and non-medical drivers of health.”

Highlights of Transformation

- **Whole-Person Focus and Healthy Opportunities Initiative**
 - Physical and Behavioral Health Integration: Payment and Delivery
 - Addressing Unmet Social Needs: Healthy Opportunities
 - Anticipate award of Lead Pilot Entities in spring 2021 and service delivery launch in early 2022
- **Primary Care and Local Care Management Investment**
 - Advanced Medical Home Program
 - Behavioral Health Home and Care Management
- **Value-Based Payments**
 - Health plans are required to increase participation in value-based payments after launch

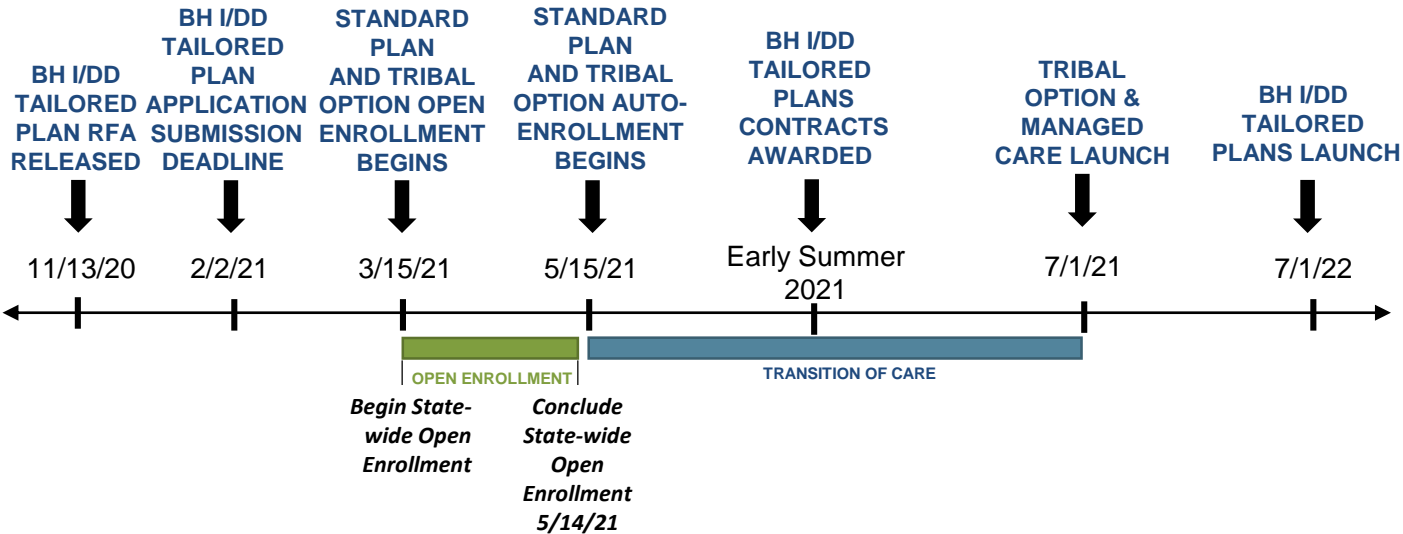
Day 1 Goal for Transformation

In the transition to our innovative managed care program our priority for day 1 is that individuals get the care they need, and providers get paid.

Challenges to Consider

- **COVID-19**
- **Provider Contracting**
- **Legislative Changes**
- **State Budget**

Managed Care Launch Timeline



Transparent Communication & Engagement

- **Supporting our partners:**
 - Beneficiaries
 - Providers
 - Counties
 - Local Health Departments
 - DSS Departments
 - Commissioners and Managers
 - Health Plans
- **Proactive communication:**
 - Commitment to transparency and frequent updates to the Legislature and the general public

Sample of Key Activities Required to Launch Managed Care & Tribal Option

- **Beneficiary Focused Activities**
 - Update and reissue beneficiary notices and other formal communications
 - Complete development and testing of PHP Primary Care Provider (PCP) assignment algorithms
 - Update Member Handbooks inclusive of changes that have occurred during the suspension period
 - Update the beneficiary engagement approach for Managed Care & Tribal Option and restart beneficiary outreach and engagement
 - Update call center scripting, ramp-up call center staff, and conduct agent training for Enrollment Broker, Medicaid, Tribal Option and PHP call centers
 - End-to-end test beneficiary information flows, transition of care processes, the auto assignment algorithm, and PCP assignment algorithm. Resolve identified defects
 - Redesign the County DSS support approach, redeliver training sessions, and redeploy enrollment support to County DSS Offices.
 - Updated communication materials to reflect launch of Tribal Option

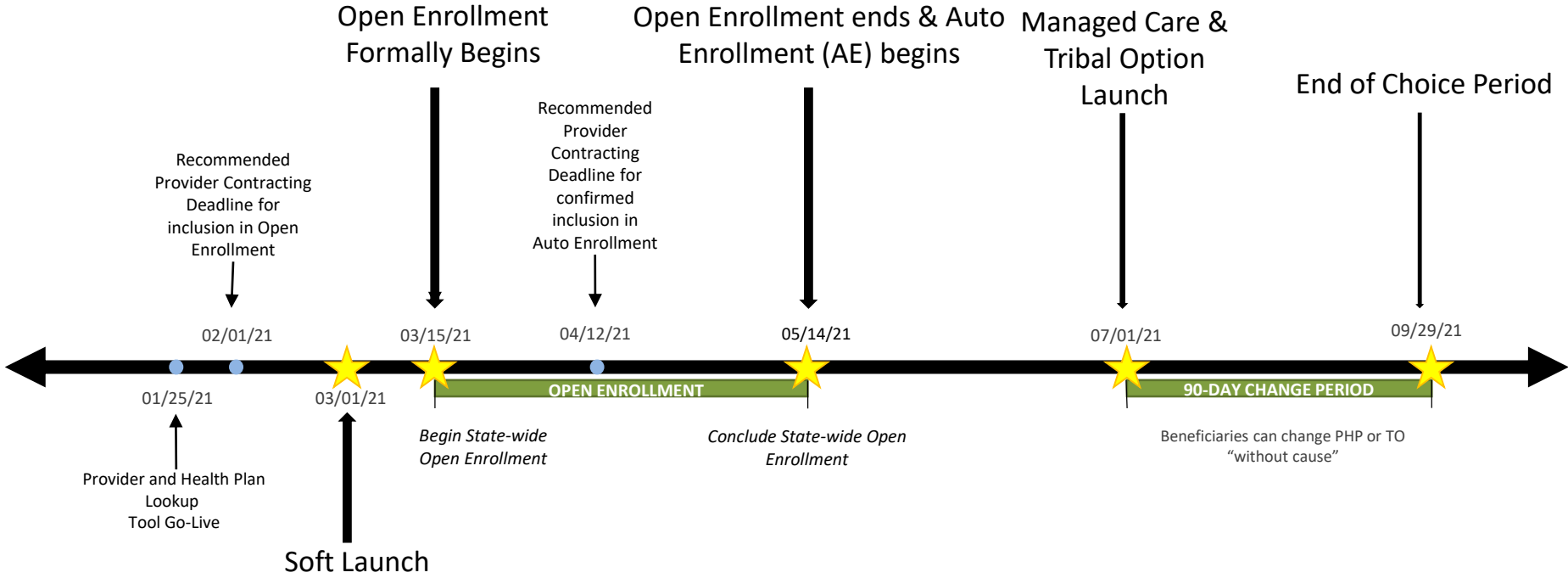
Sample of Key Activities Required to Launch Managed Care & Tribal Option

- **Provider Related Activities**
 - Complete updates to the public facing Enrollment Broker Provider Directory and test functionality
 - Resume PHP and provider contracting, PHPs should meet provider network adequacy standards in advance of Auto-Enrollment
 - Finalize provider manuals
 - Update call center scripting and conduct agent training for the NC Tracks Provider Call Center
 - Restart, and where needed repeat, provider engagement activities to support providers through the transition
 - End-to-end test provider information data flows. Resolve identified defects

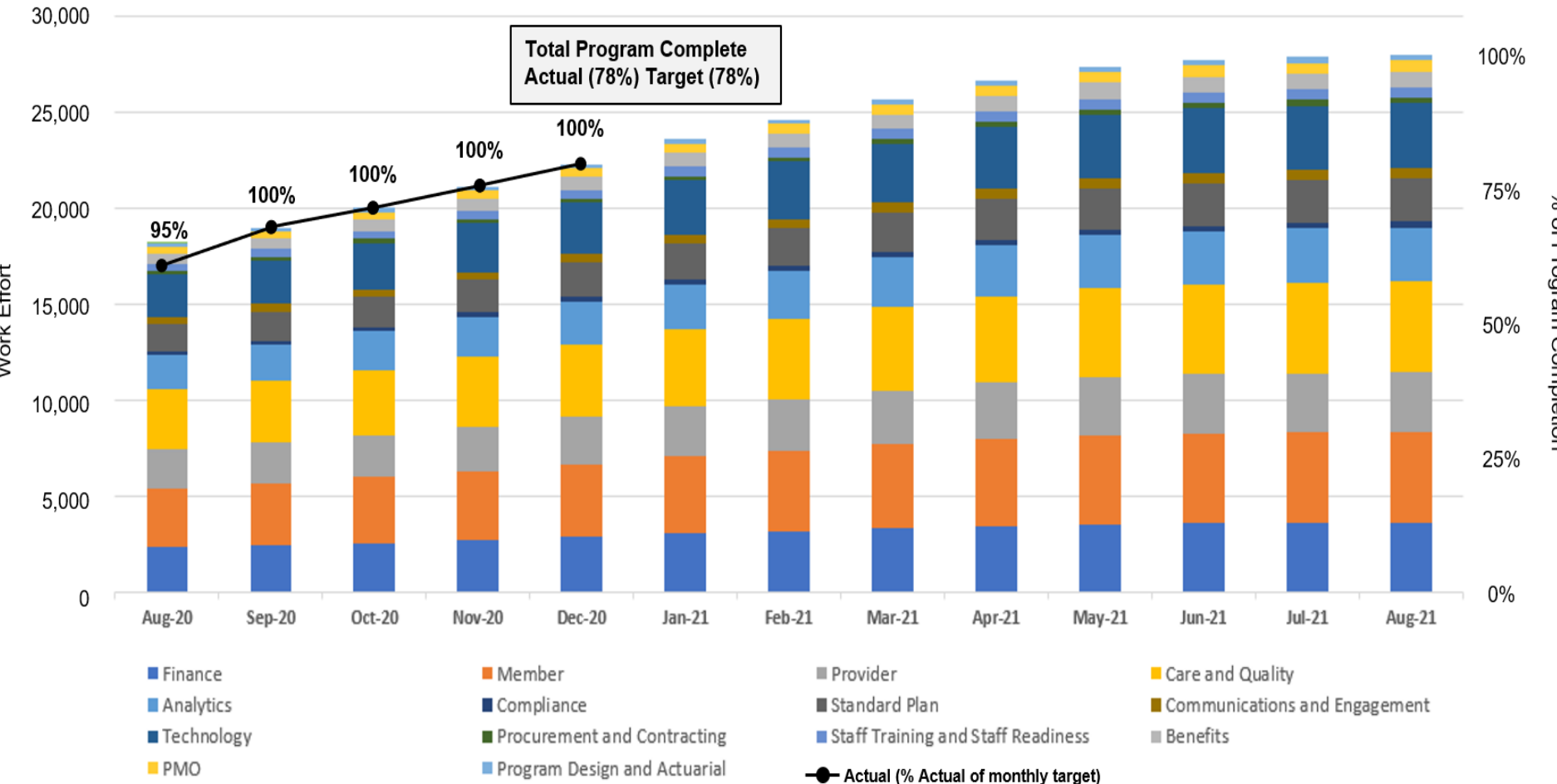
Sample of Key Activities Required to Launch Managed Care & Tribal Option

- **Health Plan Focused Activities**
 - Calculate new capitation rates by rerunning the actuarial process and updating the capitation models
 - End-to-end test the capitation payment process. Resolve identified defects.
 - As part of oversight and readiness, the Department is reviewing PHP and Tribal Option policies and other materials.
 - PHP and Tribal Option hiring and rehiring of staff, including key personnel
 - PHPs contracting with sufficient providers and systems to meet the behavioral and physical health care needs of their expected beneficiary populations

Managed Care Standard Plan & Tribal Option Timeline



Standard Plan Project Status (12/31/2020)



Contracting and Impact of COVID-19

- Contracting is needed in Medicaid Managed Care
- COVID-19 pandemic has made it challenging for providers & health systems to focus on contracting
- Plans are currently focused on Open Enrollment and contracting with Primary Care Physicians & health systems
- NC Medicaid is convening workgroups between prepaid health plans and certain provider groups to understand and resolve issues that may be standing in the way of contracting

PHP Readiness Overview

PHP READINESS

KEY METRICS

Policy and Process

Readiness: Measures PHP's ability to meet contractual deliverables and to operationalize the Managed Care Program including CMS-defined Readiness Review Areas.

I. Contractual Deliverables: Assessment of completion of contractual deliverables that DHHS will review and/or approve as part of Managed Care oversight activities. Examples of these deliverables include PHP operating plan, marketing materials, clinical coverage policies, and annual compliance plans.

II. Readiness Review: Completion of DHB administered desktop and onsite readiness review, which assesses the PHP's ability and capacity to operationalize the Managed Care design in the CMS-defined Business Areas

Provider Network

Readiness: Measures each PHP's provider network coverage in the contracted regions.

III. Provider Network Coverage: Assessment of the adequacy of the PHP's provider networks in key specialty areas, including Hospital, Advanced Medical Homes, OB/GYN, NEMT, and Behavioral Health.

Technology Readiness: Measures each PHP's progress with technology testing activities and supporting technical operations as we approach Managed Care Go-live.

IV. Testing: Success execution of DHB-defined test scenarios, including assessment of % complete versus planned, defects, and speed of resolution
V. Technology Operations & Command Center: Assessment of PHP ongoing technology and operational issues, including late file submissions, issues affecting operations, and/or technology related incidents and problems that have not been resolved by the expected timeframe driven by priority classification.

Additional Day 1 Priorities

- A member's prescription will be filled by the pharmacist
- Members know their chosen or assigned health plan
- Members have timely access to information and are directed to the right resource
- Health plans have sufficient networks to ensure member choice
- A provider enrolled in Medicaid prior to the launch of NC Medicaid Managed Care will still be enrolled
- Calls made to call centers are answered promptly