

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

**NC Department of Health and Human Services**

# **Medicaid Transformation Update**

**Dave Richard, Deputy Secretary for  
Medicaid**

**Jay Ludlam, Assistant Secretary for  
Medicaid Transformation**

**February 15, 2022**

# Agenda

- **Transition to Managed Care**
  - The Transition Path and Priorities
  - Behavioral Health/IDD Tailored Plan Summary
- **Standard Plan Implementation Summary**
- **Next Phases of Implementation**
  - Healthy Opportunities Pilot
  - Carved Out Populations
  - Tailored Plan Implementation
  - Foster Care Plan
- **COVID-19 Pandemic Response- Clinical Perspective**

# Transition to Managed Care

- **NCGA & DHHS working on managed care since 2015**
- **Leverage 1115 waiver flexibility and innovation**
- **Key legislation passed in each session 2015-2021**
  - **SL 2020-88 required capitated contracts begin no later than July 1, 2021**
- **Single statewide rollout of Medicaid Managed Care occurred on July 1, 2021**



# NC Medicaid Managed Care

## Vision

“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.”

## Day 1 Priorities

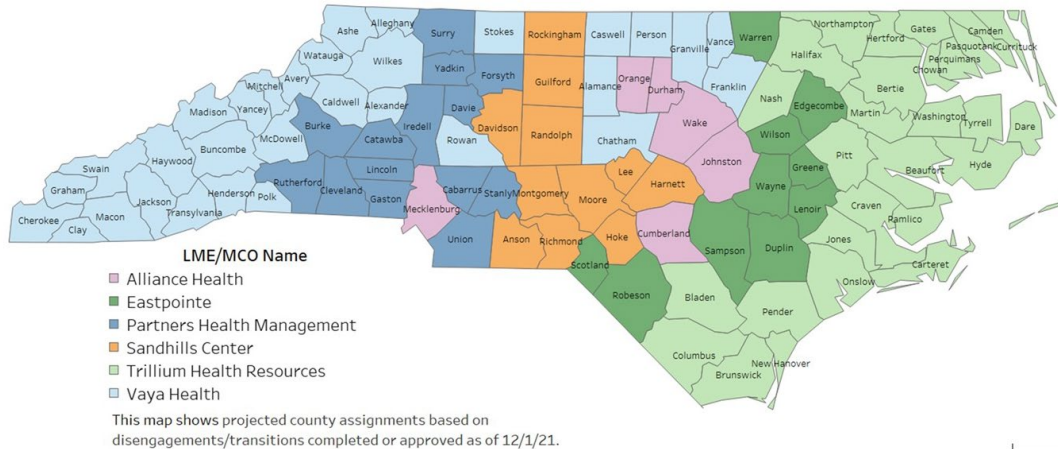
Individuals get the care they need, and providers get paid

# Behavioral Health/IDD Tailored Plans

- **Serve individuals with significant mental health and substance use disorders, Intellectual and Developmental Disabilities (I/DDs) and traumatic brain injury (TBI), as well as people using state-funded and waiver services**
  - ~175,000 individuals
- **Fully integrated, whole person, physical and behavioral health care**
- **Same services as Standard Plans plus more**

# Why Behavioral Health/IDD Tailored Plans?

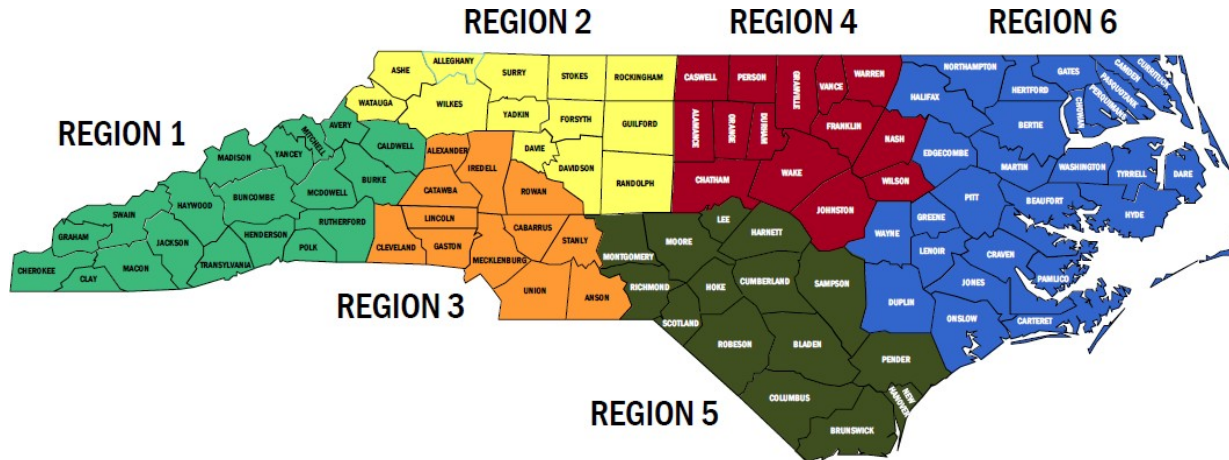
Regional Behavioral Health and Intellectual/Developmental Disability Tailored Plans -  
Projected County Alignments at Tailored Plan Launch for December 1, 2022



- **Whole person care for those most in need**
- **Community based/Local approach**
  - Local Oversight Boards and CFACs
  - Local Care Management
- **Build upon existing foundation**
  - Leverage existing legislative authority
  - Leverage experience and infrastructure of LME-MCOs
  - Leverage existing behavioral health provider network

# Transition to Managed Care – Standard Plans

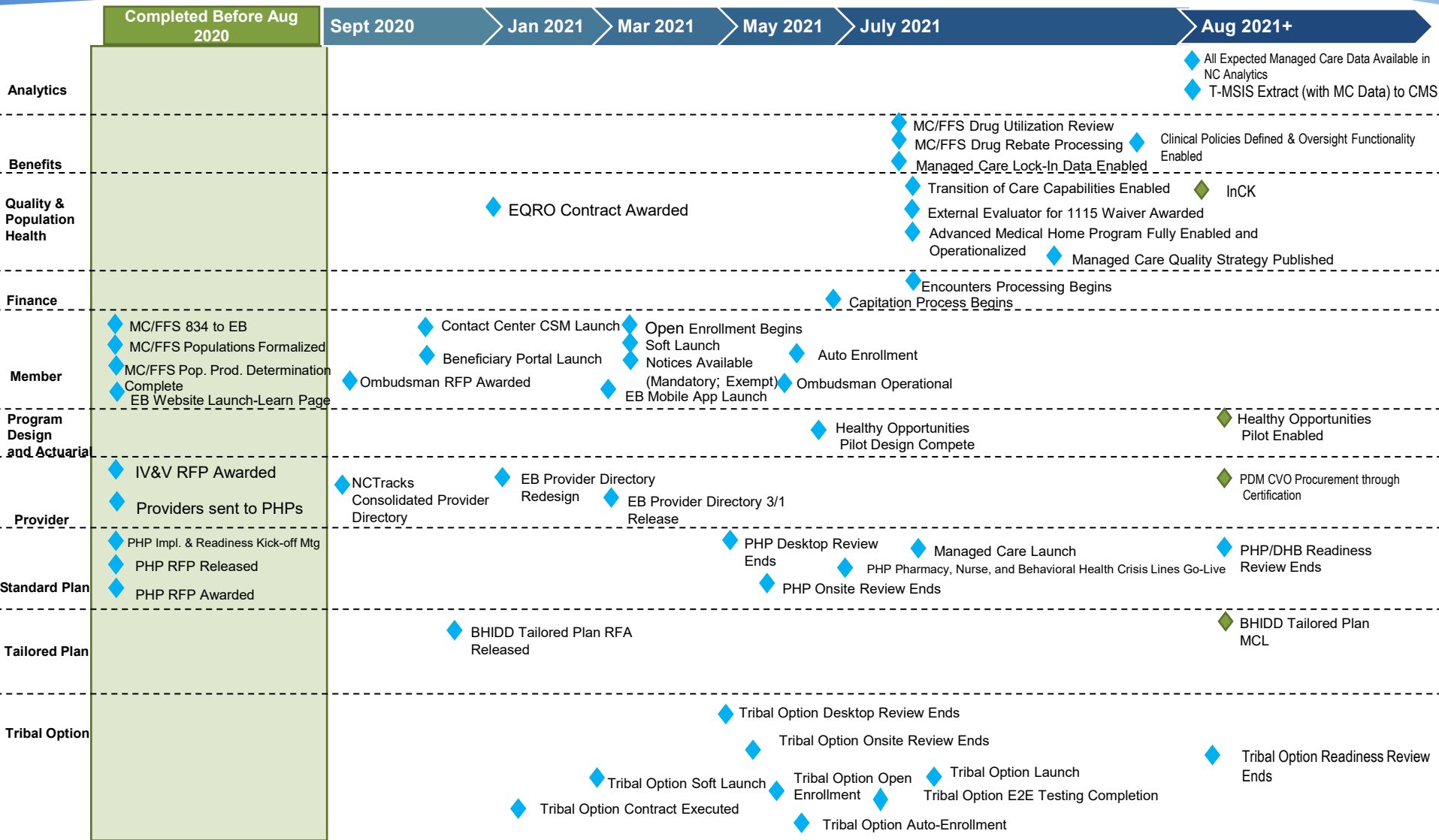
- About 1.7 million Medicaid beneficiaries enrolled in five plans
- Over 4,000 individuals enrolled with EBCI Tribal Option



# Critical Success Factors

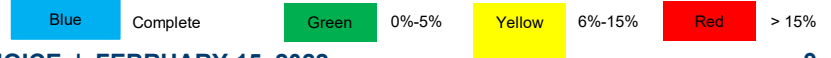
- **Continual focus on improving beneficiary care and experience**
- **Proper funding of Transformation and claim run-out**
- **Focus on provider administrative burden**
- **Collaboration with stakeholders in design, testing and rollout**
- **Partnership with PHPs; extensive testing and thorough readiness reviews**
- **Go-live was not “the end” - now the focus is on health plan oversight and continued support of providers and beneficiaries**

# Program Review: Major Milestones Overview



Note: Features are in the process of being linked to Milestones to calculate status

Note: Variance from % Earned vs. % Targeted



# Executive Summary – Transformation Help Center Trends

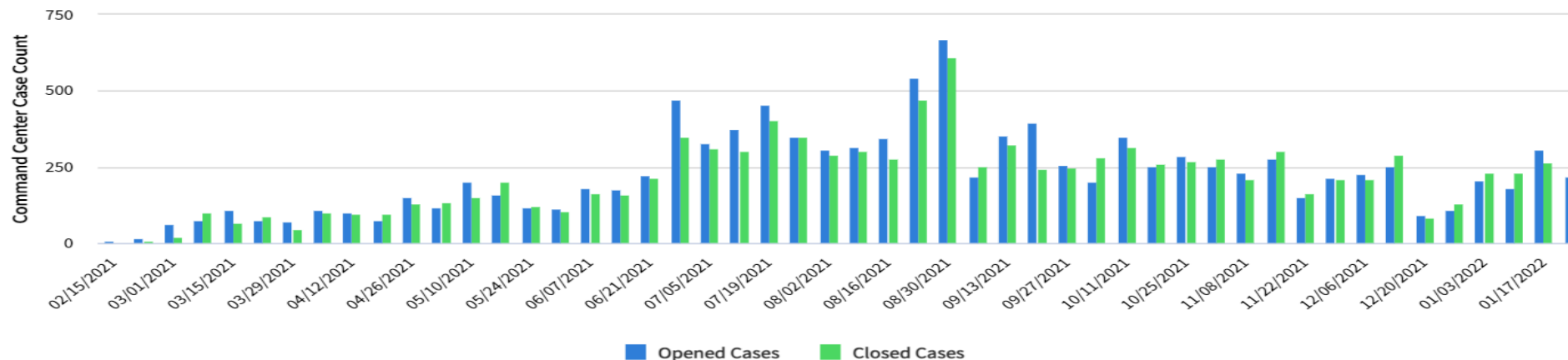
## NC Medicaid Help Center

- Used platform to track questions, enable providers to search knowledge base, publish FAQs
- Tracked case statistics, case trends, open and resolved cases
- **94% of cases have been closed out**

## NC Medicaid Help Center Case Statistics

| Opened this Week | Closed this Week | Opened to Date | Closed to Date |
|------------------|------------------|----------------|----------------|
| 218              | 185              | ★ 11,366       | ★ 10,699       |

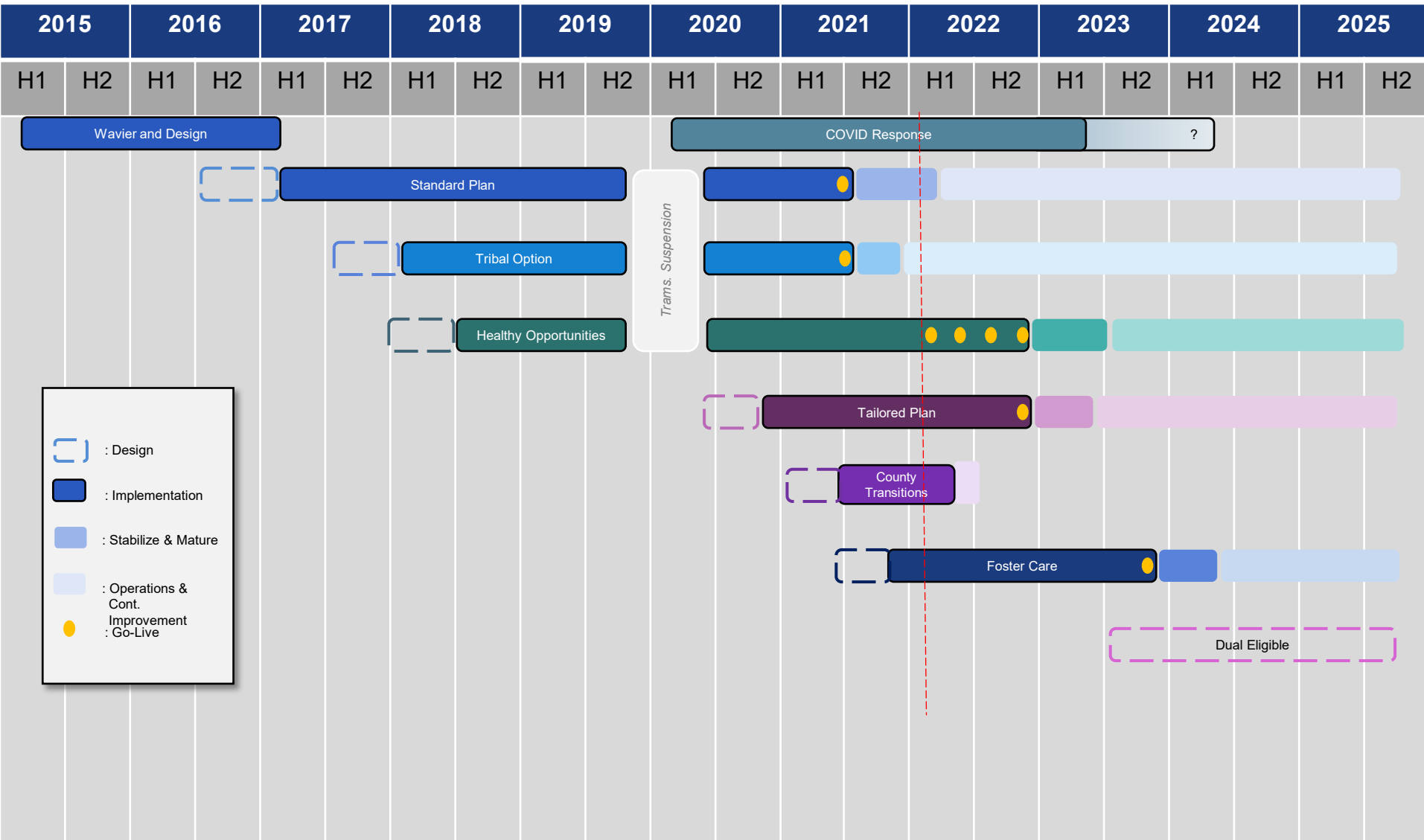
Help Center cases Opened/Resolved by Week








# Things you may have heard about

- **Hospital & Provider Contracting**
- **Non-Emergency Medical Transportation**
- **Claims Payment and Reprocessing**
- **Adequate Networks**

# Transformation Overview



-  : Design
-  : Implementation
-  : Stabilize & Mature
-  : Operations & Cont.
-  : Improvement Go-Live

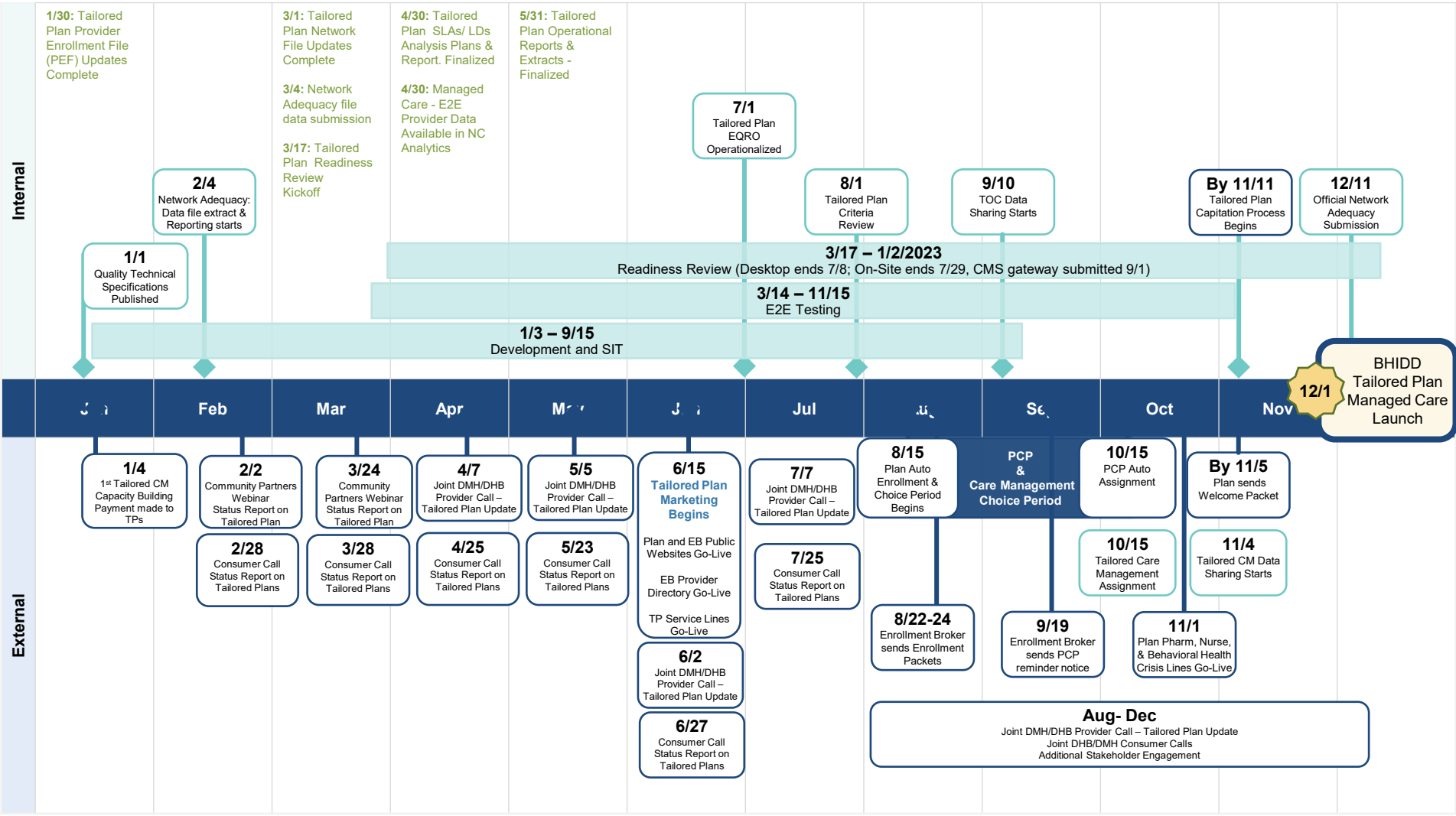
# Healthy Opportunities Pilot

- **Phased Launch**
  - **Food Services going live on March 15<sup>th</sup>**
  - **Housing and Transportation on May 1<sup>st</sup>**
  - **Interpersonal Violence on June 15<sup>th</sup>**
- **Begin evaluation and reporting on the pilot services and their impact to beneficiary health outcomes**
- **Leverage PHP capabilities and expand features of statewide human services resource platform (NCCARE360) to increase automation and streamline workflows**
- **Engage with the Tailored Plans and EBCI Tribal Option to begin development for addition of their members to the Healthy Opportunities Pilot**



# Tailored Plan Implementation Milestone Dates

The timeline below visualizes major and some minor milestone dates in 2022:



Not visualized are the following major milestones occurring on 12/1: Clinical Policy Oversight operationalization and Transition of Care capabilities enablement

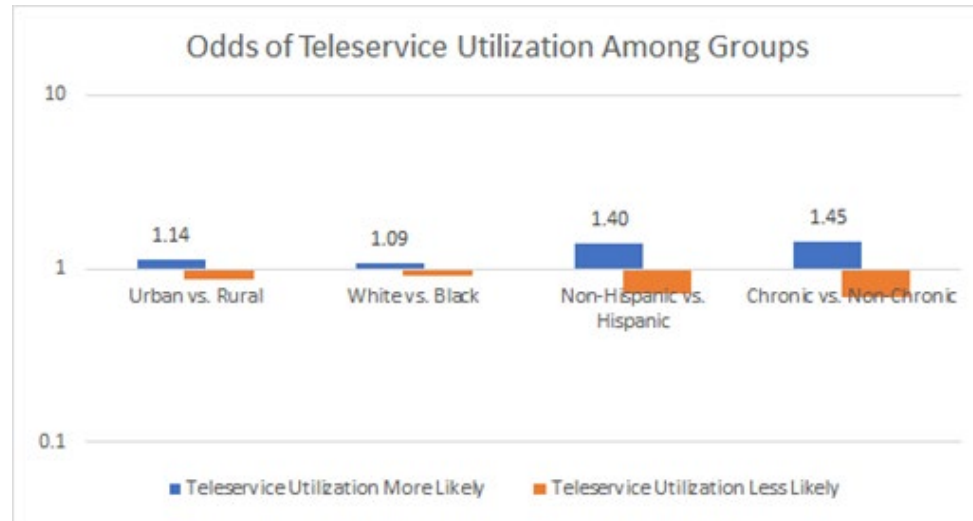
# Foster Care Plan

- **Plan Features**

- **Serve children in foster care, adoptive placements, formerly in foster care and their families**
- **Single statewide entity**
- **Only Standard or Tailored Plans with contracts may respond to RFP**
- **Offer broad range of physical and behavioral health, LTSS, and I/DD services and resources to address unmet health-related needs**
- **Trauma Informed and System of Care approach**
- **Close collaboration with DSS**



# COVID-19 Pandemic Response - Clinical Perspective



- The Department analyzed 387 flexibilities across multiple functional areas for permanence. The majority made permanent are in the clinical benefit and LME-MCO space.
- Ongoing evaluation specific to the quality, cost and outcomes of teleservices is refreshed regularly:
  - Patient satisfaction appears to be high
  - Patient Outcomes appear to be equivalent or better.
    - Compliance with medications improved (Opioid Use Disorder, Antipsychotic)
    - Escalation to Emergency or Hospital Care equivalent to in-person care.
  - Teleservices do not appear to be additive; rather, function as replacement
  - Overall Total Cost of care appears to be equivalent.

# Pandemic Surge Response

| Lever                            | Impact                                | COVID -19 Bulletin  |
|----------------------------------|---------------------------------------|---|
| Swing Bed Flexibility            | Opening Beds                          | <a href="#">Bulletin 210</a>                                |
| Skilled Nursing Surge Facilities | Opening Beds                          | <a href="#">Bulletin 210</a>                                |
| Monoclonal Antibody Treatments   | Prevent Hospitalization               | <a href="#">Bulletin 208</a>                                |
| Remdesivir Ambulatory Infusion   | Prevent Hospitalization, Opening Beds | <a href="#">Bulletin 210</a> ; <a href="#">Bulletin 222</a> |
| Oral Treatments                  | Prevent Hospitalization, Opening Beds | <a href="#">Bulletin 216</a>                                |
| Boosters/Additional Doses        | Increase vaccination                  | <a href="#">Bulletin 211</a> ; <a href="#">Bulletin 217</a> |
| Counseling Code (99401)          | Increase vaccination                  | <a href="#">Bulletin 210</a>                                |
| COVID Vax Admin Rate Increase    | Increase vaccination                  | <a href="#">Bulletin 210</a>                                |
| COVID Vaccine Member Incentives  | Increase vaccination                  | N/A   |
| Standard Plan Incentives Program | Increase vaccination                  | N/A   |
| Increasing Access to Testing     | Broad impact                          | <a href="#">Bulletin 219</a>                                |
| Communication to Stakeholders    | Increase vaccination                  | N/A   |
| Federal COVID-19 Mandates        | Increase vaccination                  | <a href="#">Bulletin 221</a>                                |

## Hospital Specific Levers

| Lever  | Impact                                  | COVID -19 Bulletin            |
|--|---|-------------------------------|
| Review of Technical Denials for Inpatient Stays  | Freeing up Clinical Staff               | <a href="#">Bulletin #223</a> |
| Post-discharge Peer-to-Peer Discussions for Inpatient Reviews  | Freeing up Clinical Staff               | <a href="#">Bulletin #223</a> |
| Waiver of Concurrent and Level of Care Reviews   | Freeing up Clinical Staff               | <a href="#">Bulletin #215</a> |
| Reinstatement of Temporary Suspension of Prior Authorization:<br>Inpatient Rehabilitation<br>Long Term Care Hospital<br>Home Health<br>Skilled Nursing | Opening Beds                            | <a href="#">Bulletin 210</a>  |
| Delayed Notifications for Admitted Patients  | Freeing up Clinical Staff               | <a href="#">Bulletin #215</a> |
| Waiver of Medical Necessity Determinations for COVID-19 Admissions   | Opening Beds, Freeing up Clinical Staff | <a href="#">Bulletin #215</a> |
| Prior Authorization Extension for Elective Procedures  | Opening Beds                            | <a href="#">Bulletin #215</a> |