

JOINT LEGISLATIVE OVERSIGHT COMMITTEE  
ON MEDICAID

**NC Department of Health and Human Services**

# Medicaid Transformation Update

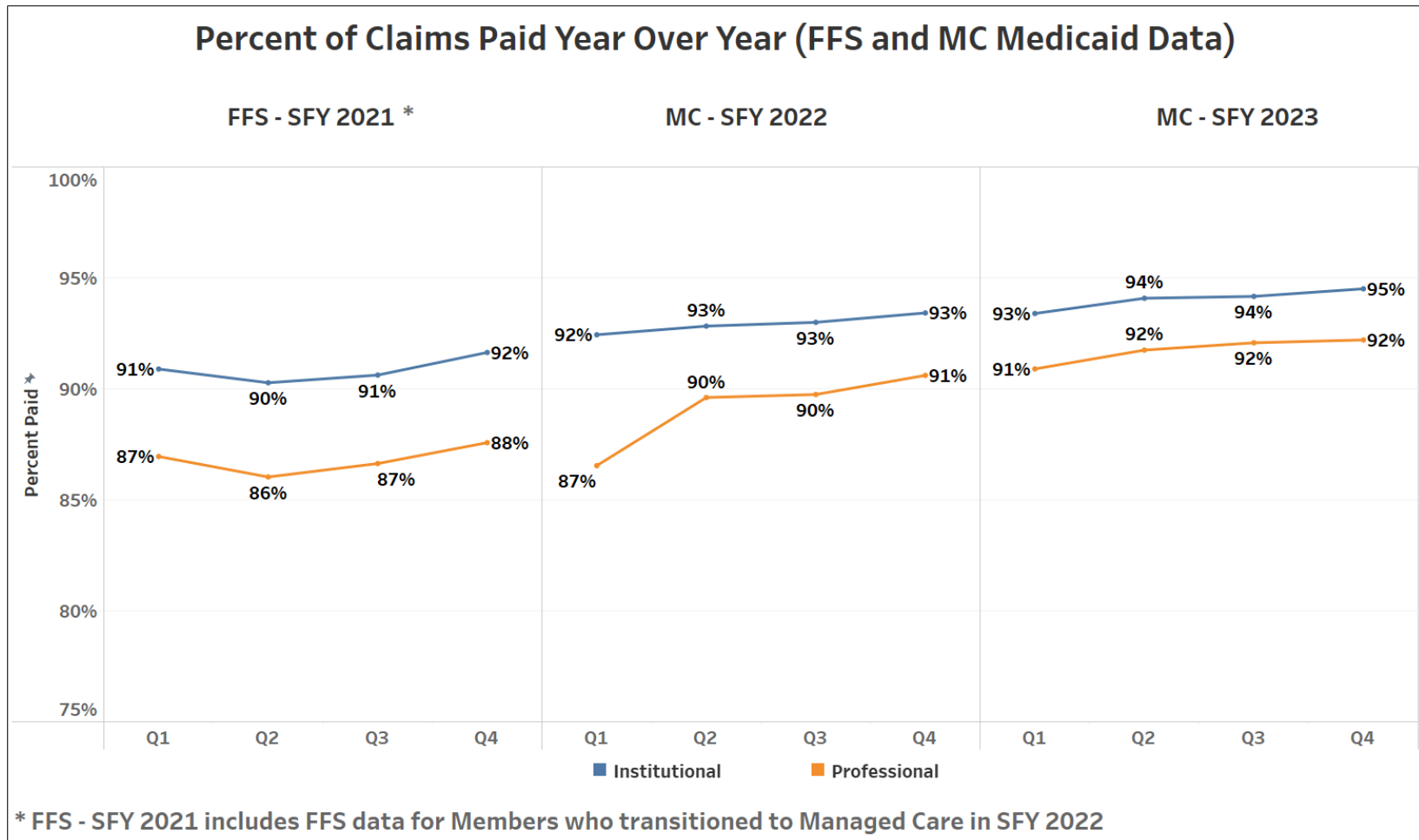
**Jay Ludlam**  
**Deputy Secretary for Medicaid**

**February 6, 2024**

# Transformation Today

- **Successful execution**
  - No systemic issues remain
  - Individual plan or provider claims issues are being resolved quickly.
- **Plans absorbed most of the 750k+ beneficiaries without issue during the PHE**
  - Health plan cards were in hands
  - Doctor appointments were made
  - Providers were paid
- **Plans also absorbed 300k+ Medicaid expansion beneficiaries during the first month**
  - 150k+ prescriptions filled since December 1
- **Tailored Plans are on track to go live July 1, 2024**

# Standard Plan Outcomes – Claims Metrics



# Standard Plan Outcomes – Claims

- **Greater claim payment consistency**
- **Continued focus on addressing administrative burdens**
  - Working with associations and plans to identify issues and provide support
  - DHHS standardized fee schedule and billing guide communications
  - Plans continue their Administrative Simplification work group
- **Claims paid increased by 3% and provider claims complaints decreased by 49% in SFY 2023**

# Standard Plan Outcomes – Medical Loss Ratio (MLR)

- **MLR measures the portion of capitation payments used for health care services and quality improvement activities**
- **State law requires an 88% minimum MLR for PHPs**
- **All PHPs met the 88% threshold for Contract Year 1 and Contract Year 2 (based on preliminary reports)**

# Standard Plan Outcomes – Network Adequacy

- Continued improvement in meeting network adequacy requirements of the contract

Hospitals - % of Access for Members						
Plan	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6
AmeriHealth Caritas	100	100	100	100	100	99
Healthy Blue	100	100	100	100	100	99
Carolina Complete Health	n/a	n/a	100	100	100	n/a
United Healthcare	100	100	100	100	100	100
WellCare of NC	100	100	100	100	100	99

Primary Care Adult/Child - % of Access for Members						
Plan	Region 1	Region 2	Region 3	Region 4	Region 5	Region 6
AmeriHealth Caritas	100/100	100/100	100/100	100/100	100/100	100/100
Healthy Blue	100/100	100/100	100/100	100/100	100/100	100/99
Carolina Complete Health	n/a	n/a	100/100	100/100	100/100	n/a
United Healthcare	100/100	100/100	100/100	100/100	100/100	100/100
WellCare of NC	100/100	100/100	100/100	100/100	100/100	100/100

*Carolina Complete Health only serves Region 3, 4, and 5*

# Tailored Plan Transformation Goals

**Day 1 Goal on July 1, 2024:**

**Individuals get the care they need and providers get paid**

Additional goals:

- Members know their assigned health plan
- Health plans have sufficient networks to ensure member access and choice
- Calls to call centers are answered promptly

**Tailored Plans on track to launch on July 1, 2024**

# Tailored Plan – Network Adequacy

As of November 2023, all Plans are above 90+% of time and distance network adequacy standards for most provider types

Provider Type	Percent of members with access*	
	November 2022	November 2023
Primary Care	99	100
OB/GYN	98	100
Physical Therapy	89	99
Pharmacy	98	99
Hospitals	76	98
Outpatient Behavioral Health	100	100

\*averaged across all 6 LME/MCOs; Access is determined by time and distance standards defined in the BH/IDD Tailored Plan contract and is based on provider type and county designation (urban/rural)

- CMS has imposed a new primary care (PCP) disruption metric requirement on the plans
- No Plan can have more than a 10% disruption to beneficiaries' current PCP at Tailored Plan launch (due to contracting)
- Department is in the process of assessing LME/MCOs against standard based on catchment areas effective Feb. 1



# Implementation Key Activities and Timeline

