

**February 6<sup>th</sup> HHS/Medicaid JLOC Follow Up**  
**NC Department of Health and Human Services**

**Chief Deputy Secretary Benton Follow-up Questions:**

- **Rep. Blackwell – Regarding our State Electronic Health Record system – With patient consent, could we share things that are otherwise prevented federally?**
  - Our new system is set to follow all federal privacy rules including Title 42 of the Code of Federal Regulations (CFR) Part 2: Confidentiality of Substance Use Disorder Patient Records (Part 2). Part 2 protects the confidentiality of SUD patient records by restricting the circumstances under which Part 2 Programs or other lawful holders can disclose such records. An exception to the federal privacy rules on sharing data is invoked when an individual gives informed consent and/or authorization to share their data. For example, a patient at an ADATC can authorize the sharing of Part 2 data, albeit limited in scope, with specifically designated individuals/entities. We will work to build out this functionality within our new Epic EHR.
- **Chairman Lambeth & Rep. Reeder – If a patient goes to Duke and is then transferred to a state facility, will the Duke records be available to the state facility and vice versa?**
  - Yes, within regulations of federal guidelines, the CareEverywhere and CareLink functionalities in Epic will allow treating providers (i.e., provider-patient relationship) to share data and records that would normally be permitted under HIPAA for treatment, payment, and operations. Please note that Title 42 of the Code of Federal Regulations (CFR) Part 2: Confidentiality of Substance Use Disorder Patient Records (Part 2) protects the confidentiality of SUD patient records by restricting the circumstances under which Part 2 Programs or other lawful holders<sup>1</sup> can disclose such records. If the patient received services at a state operated ADATC, then the Part 2 data would not be shared with Duke absent express authorization from the patient.

**DSS Follow-up Questions:**

- **Rep. Blackwell – What percentage of children in foster care also have IEPs (Individualized Education Program) in schools?**
  - 29.5% of Foster Children enrolled at any point in SY 22-23 had an IEP. 9,503 foster children were enrolled at any point in SFY 22-23 and of those, 2,807 had an IEP.
- **Senator Burgin – Can you provide data on how many times a child's head sleeps on a different pillow in a different place?**
  - The measure that most relates to this question is called "Placement Stability" and it is tracked by our federal partners at the Administration for Children and Families, and specifically by the Children's Bureau based on data submitted by each state. This metric tracks the rate of placement moves per 1,000 days of foster care for all children who enter foster care in a 12-month period (based on the number of placement moves they experience during that same 12-month period). As of August 2023, North Carolina had 2.96 placement moves per 1,000 days which is lower than the national average of 4.48 per 1,000 days.
    - Per ACF (Administration for Children and Families):
      - This indicator does not include certain types of living arrangements that are considered temporary and not an official placement change (such as trial home visit episodes, runaway episodes, and respite care).

- The initial removal from the home (and entry into foster care) is not counted as a placement move.
  - Youth who enter or exit “Extended Foster Care” at age 18 or older are excluded from the measure
  - Children in foster care for less than 8 days are excluded from the measure.
- **Senator Burgin – Regarding Slide 11, Please provide number of children who are in adoptive homes.**
  - There were 114 children in adoptive home living arrangements as of 12/31/2023.
- **Rep. Cunningham – Regarding Slide 11, and the children who have complex needs and end up staying in a hospital until placement is found: What is the average length of their stay, the cost of their stay (including the cost to the state of their stay, the cost to the LME/MCO, and the cost to the hospital)?**
  - Additional time is needed to finalize this response. Because this request involves cross divisional data from Medicaid, this request is still in process and may take up to 2 more weeks. Once we have the finalized data, we will follow up with the information.
- **Rep. Blackwell – Requested an update on how the functionality of NCFast has improved.**
  - The NCFast team has continued to make system improvements that focus on the usability of the system for both county staff and those receiving benefits.
  - Some examples across programs include:
    - Food and nutrition services (FNS): Recipients now can be informed, via the new Text Message Implementation, of vital information that is needed for their FNS Program Benefits. Caseworkers can relay information to recipients on what is needed for their case through predetermined text selections. This alleviates the burden of a recipient from having to go to a DSS office to report a change, and helps counties meet their timelines goals.
    - Energy: NC Fast now has a Provider Portal that energy providers can use to help support energy needs of North Carolinians. Previously, providers had to continuously reach out to counties to monitor when a citizen applied for benefits and track those applications by phone calls to the county office. Now they no longer have to reach out to counties but can manage and track all their recipient’s applications and payments through the portal.
    - Work First (TANF): NC FAST now has the ability for citizens to apply online through ePass. This relieves foot traffic in county DSS offices and allows the user to apply from their home or mobile device.

#### **DCDEE Follow-up Questions:**

- **Senator Burgin – What is the current number of licensed child care centers and family child care homes?**
  - Currently there are 5,404 licensed child care programs in North Carolina. This includes private or community-based programs (non-profit), public school based programs, family child care homes, faith based programs, and other (summer camps). Family child care homes make up 1,164 of these licensed programs.
  - [The NC Early Care and Learning Dashboard](#) shows enrollment and program site information for all licensed child care programs across NC and within each county.

- **Senator Burgin – How many children are enrolled in child care programs located in public school programs?**
  - As of December 2023, of the 221,081 children enrolled in licensed child care programs, approximately 37,896 children are enrolled in public school based programs. “Public school based program” refers to the location of the program, not the funding stream or even oversight of the program. For instance, a YMCA might operate an after-school program inside a public school, but it is an independently operated program but counts as a public school based program.
- **Senator Burgin – What is the total number of children receiving child care subsidy in 2023?**
  - The average number of children served per month during the calendar year of 2023 was 62,853. The unduplicated count for the year was 103,703. This unduplicated number accounts for movement of children in and out of the subsidy program for reasons such as: entering kindergarten, only attending summer care, family income increased above eligibility thresholds, or a family move.
- **Chairman Lambeth – How are licensed child care programs categorized? Can you provide a breakdown of all the types across the state?**
  - Licensed child care programs are categorized as either, Private and Community-based Programs, Public School-Based Programs, Family Child Care Homes or Faith-Based (GS 110) Programs.
  - [The NC Early Care and Learning Dashboard](#) shows enrollment and program site information for all licensed child care programs across NC.
- **Rep. Blackwell – What are the income limits and family size for families receiving child care subsidy?**
  - The Subsidized Child Care Assistance program uses [gross monthly income](#) to determine eligibility. It was determined through legislation that:
    - Initial eligibility is determined using 200% FPL for ages 0-5 and all children with special needs and 133% for ages 6-12.
    - Ongoing eligibility (applied to changes after initial eligibility and at annual redetermination) is determined using 85% State Median Income (SMI)
- **Rep. Cunningham - What is the average wait time for a child care subsidy slot and the timeline for receiving subsidy after being reemployed?**
  - Wait lists for subsidy slots vary by county. Waitlist per county is attached (*“April 6th JLOC\_HHS,Medicaid\_Follow Up\_Child Care Subsidy Waiting List”*) and also documented on the monthly [Summary of Subsidy Expenditures Report](#) on page 19. Higher waitlists mean families wait longer for services to begin. Currently only about 20 counties have a wait list. Only a couple of these counties have a wait list due to lack of available funding and the majority of counties have a waitlist for other reasons including lack of available slots for child care in the community and staffing shortages within DSS offices. The wait list numbers have been trending up for several months now and it is anticipated that trend will continue to increase throughout the year.
- **Senator Sawrey – Is there any National research on what families are doing who don’t have some type of child care?**
  - According to the US Census Bureau, when asked in the Household Pulse Survey (HPS) from September to December 2022, roughly 61% of parents living with at least one child

age 17 or younger said they did not have any formal child care arrangements. Of those that did report a formal child care arrangement:

- About 1 in 5 (21.8%) reported child care was provided by a relative other than a parent.
- Around 8.4% reported using a child care center.
- 5.4% reported using nonrelative care
- 5.4% reported using nursery or preschool
- 5.1% reported using before/after school care
- About 3% used a family child care.
- Only 1% reported participating in the Head Start program.
- The lack of quality child care is not just an issue for lower income households. 52% of households with an annual income at or above \$200,000 responded that they too have no child care arrangement. The lack of quality child care has forced many parents to leave the workforce.
- **Rep. Pare – What was the historical cost of childcare over the last 5-10 years? How fast did it increase in last 5-10 years?**
  - While DCDEE does not have access to historical tuition data for all child care across the state, DCDEE does collect and have accessible market rate data from across the state, which is related to, but not equivalent to, the cost of child care.
  - Background: A Child Care Market Rate Survey is conducted periodically by the Division of Child Development and Early Education (DCDEE). The study is based on a survey of child care providers across the state.
  - A “market rate” or “subsidy rate,” as referenced in North Carolina legislation, represents the maximum amount that a child care center or home may be paid with subsidy funding. As part of the market rate survey methodology, data is collected for every age group and every star rating, within each county. Payment rates set at the 75th percentile which is 75% of what child care providers reported charging for services. Child care providers are currently reimbursed at the market rate for their county. While the “payment” rate is significantly lower than what it costs to provide quality, safe child care, the market rate survey can be used as a measure to understand historical increases in the cost to provide child care in each of the market rate studies done in the past 10 years (2015, 2018, 2021).
  - The charts below include the 5-star 75<sup>th</sup> percentile statewide rate based on the Market Rate Surveys completed in each of the three years available (2015, 2018, 2021). The trend in rate increases is seen for all counties, star ratings, and age groups. The next Child Care Market Rate Survey Report will be available by June 30, 2024.

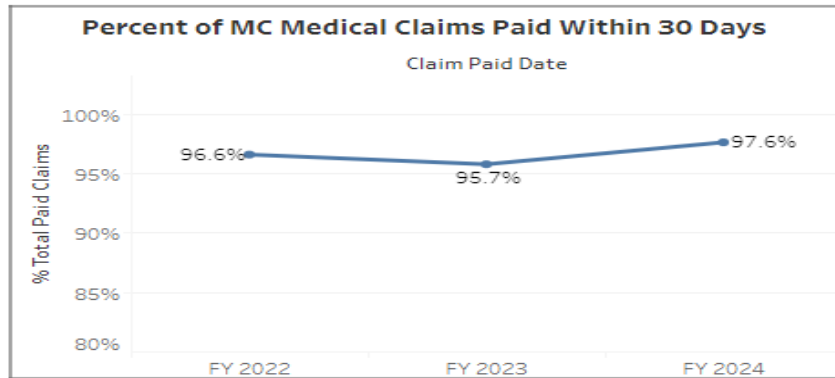
75th Percentile State Rates			
Centers with 5 Star License			
	2015	2018	2021
<b>Infants and Toddlers</b>	\$ 1,140	\$ 1,222	\$ 1,400
<b>2 year olds</b>	\$ 1,040	\$ 1,122	\$ 1,290
<b>3-5 years old</b>	\$ 975	\$ 1,049	\$ 1,213
<b>School Age</b>	\$ 687	\$ 711	\$ 802

- **Rep. Blackwell - Is there additional information that can be provided on the successful child care pilot programs in Georgia and Kentucky that were referenced during the presentation? It would be helpful to know more about these successes and what they might teach us.**
  - As states having authority to make choices about how to invest and spend many different funding sources—including proceeds from State Education Lotteries—some states have chosen to utilize available funds to serve more children and families in early childhood programs, including Pre-K. Georgia, for example, utilizes all of their state lottery proceeds to provide voluntary [Universal Pre-K](#) for four-year olds. A study of the effects of Georgia's first in the nation universal Pre-K program (established in 1995) found increases in attainment of both high school graduation and bachelor's degrees. Other studies of the effects of large-scale public preschool programs—such as the one completed in Boston in 2021—have shown that preschool enrollment boosts college attendance, high school graduation, and SAT test-taking and decreases several disciplinary measures including juvenile incarceration.
  - Kentucky elected to invest \$30 million of American Rescue Act Plan Funding towards allowing employees of child care centers to utilize the State's Child Care Assistance Program to subsidize child care costs for their own children. By making child care free for child care workers, Kentucky enabled child care workers to remain in the classroom, keeping classrooms open for all enrolled children. Data from the Kentucky Cabinet for Health and Family Services shows that, as of December 1, 2023, 3,572 child care employees were using this benefit, potentially serving 28,576 additional children or more.

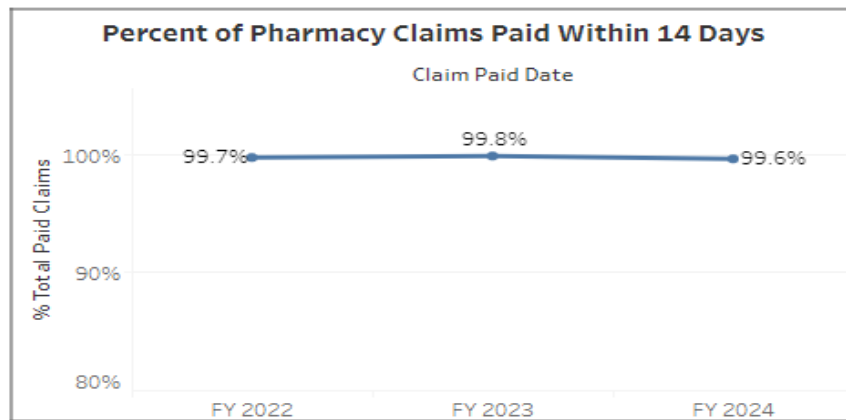
#### **Medicaid Follow-up Questions:**

- **Rep. Blackwell – Requested that a copy of recently released Workforce Report mentioned by Secretary Kinsley.**
  - This is the report that the Secretary referenced, which is titled "Investing in North Carolina's Caregiving Workforce," and is linked here: <https://www.ncdhhs.gov/investing-north-carolinas-caregiving-workforce-recommendations-strengthen-north-carolinas-nursing/download?attachment>
- **Rep. Blackwell – Can you do a comparison of capitation rates across neighboring states?**
  - States have varied approaches to the benefits, populations and provider reimbursement levels covered under managed care capitation, making comparisons difficult.
- **Sen. Burgin – What percentage of people on standard plans have not had a claim?**
  - Approximately 80-85% of beneficiaries enrolled in Standard Plans had a medical claim (non-LHD Care Management and non-AMH payment) in each of SFY22 and SFY23.
  - LHD = Local Health Department; AMH = Advanced Medical Home (these programs are described at <https://medicaid.ncdhhs.gov/care-management>).
  - Note that these non-users are accounted for in development of the capitation rates, which are based on average expected per capita costs (including accounting for some individuals having no claims).
- **Sen. Burgin – What percentage of claims are paid within 30 days?**

- Data for Medical Claims:

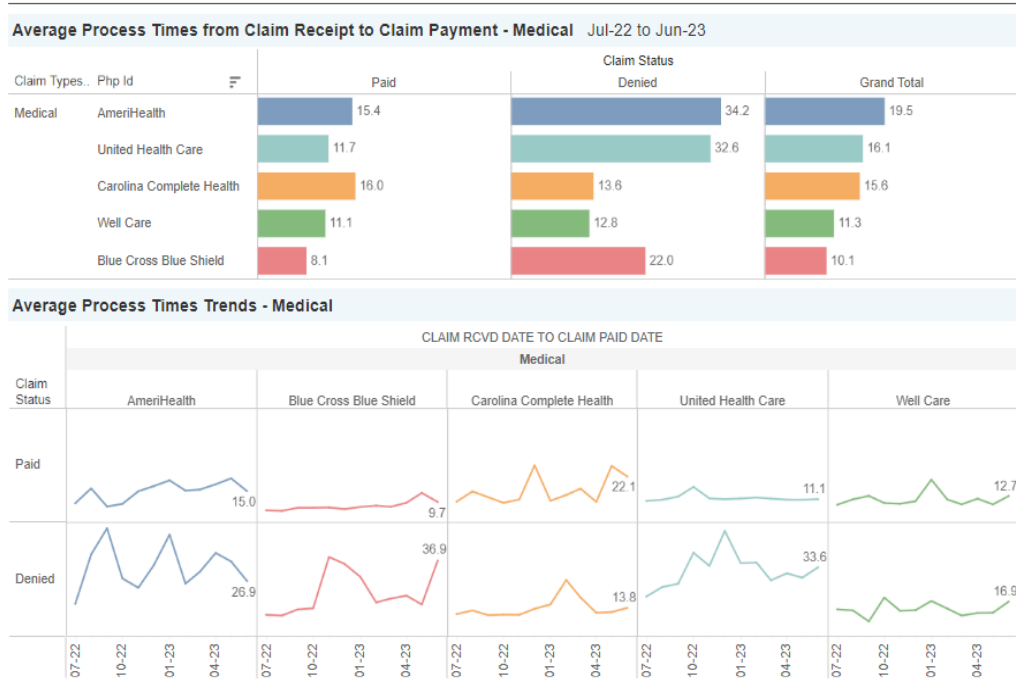


- Data for Pharmacy Claims:

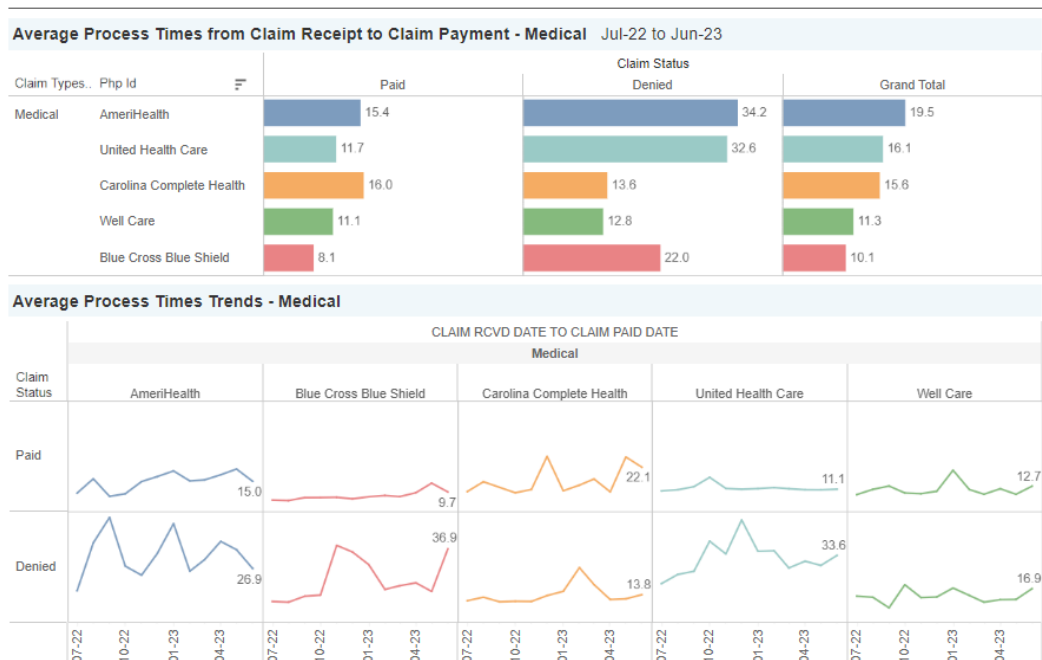


- Rep. Baker – Regarding the percentage of claims paid, please include mean ( & median) days to payment and whether there's a standard that's being worked towards.

- **Medicaid Payment Timeliness:** Health plans are required to pay or deny medical claims within 30 days of receiving the claim and all necessary information to process the claim. The timeliness of receiving all information means that sometimes some of those claims may be paid or denied after 30 days. Health plans are required to pay providers interest and penalties on claims not paid within that timeframe. The average processing times for medical claims is found in the chart below. The median number of days for payment for medical claims is 7 days.



- **Pharmacy Payment Timeliness:** Health plans are required to pay or deny pharmacy claims within 14 days of receiving the claim and all necessary information to process the claim. The timeliness of receiving all information means that sometimes some of those claims may be paid or denied after 14 days. Health plans are required to pay providers interest and penalties on claims not paid within that timeframe. The average processing time for pharmacy claims is found in the chart below. The median days to payment for pharmacy plans is 2 days.



- **Rep. Blackwell - How many Primary Care Providers do we have in NC?**
  - The forthcoming North Carolina Primary Care Payment Reform Task Force Report will include information and recommendations on primary care spending and data collection but does not include the current number of primary care providers in NC. We've included some data on primary care providers from two publicly available data sources:
    - **North Carolina Health Professions Data System** (through the UNC Sheps Center) <https://nchealthworkforce.unc.edu/interactive/supply/> (Latest data available are from 2022).
      - 7,916 total *Physicians* with a Primary Area of Practice of Primary Care in NC in 2022 (7.42 per 10,000 population)
      - 2,411 *Physician Assistants* with a Primary Area of Practice of Primary Care in NC in 2022 (2.26 per 10,000 population)
      - 11,593 *Nurse Practitioners* in NC in 2022 (10.9 per 10,000 population)  
\*note that this is in any practice area – data breakdown for primary care was not available for nurse practitioners.
    - **Milbank Memorial Fund Primary Care Scorecard** (<https://www.milbank.org/primary-care-scorecard/>) (Latest data available are



from 2020. Also, this is physicians only, and does not include physician assistants or advanced practice nurses)

- 46.8 primary care physicians per 100,000 people in medically underserved areas in NC in 2020
- 75.4 primary care physicians per 100,000 people in areas that are not medically underserved in NC in 2020

- **Rep. Cunningham – What is the cost to the state for an individual on a Tailored Plan?**

- Tailored Plan capitation rates for SFY25 are in the process of being finalized, however we can provide the following rough estimates of the expected **monthly** capitation rates (federal + state share) by population cohort averaged across LME-MCOs (note there is variation by LME-MCO):
  - Innovations waiver: Approximately **\$3,369 – 3,508 of state cost** (\$9,700 - \$10,100 total dollars including federal share).
  - Non-Innovations waiver / Non-Medicaid Expansion: Approximately **\$729 – 799 of state cost** (\$2,100 - \$2,300 total dollars including federal share).
  - **There is no state cost for an individual in the Medicaid Expansion cohort.**
    - Note that the monthly cost to serve a member of the Medicaid Expansion cohort enrolled in Tailored Plans is estimated to be approximately \$1,900 - \$2,000, which is fully funded by a combination of federal match (90%) and hospital and health plan assessments (10%).