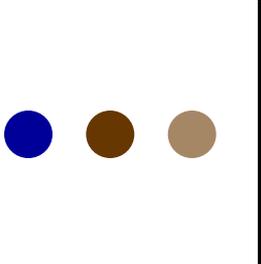




Workgroup Update

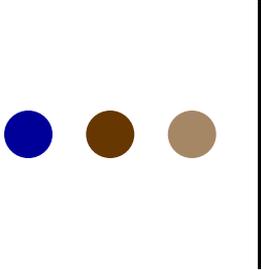
Overall Advisory Group

April 15, 2011



Agenda

- Written update included in the materials
- Workgroup updates
 - Medicaid
 - New Models of Care
 - Prevention
 - Fraud and Abuse
 - Health Professional Workforce
 - Quality
 - Safety Net
 - Health Benefits Exchange (update by DOI staff)
- Presentation on Accountable Care Organization proposed regulations

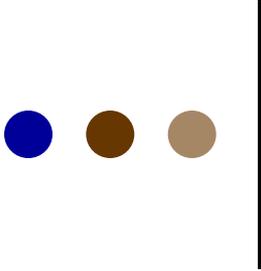


Medicaid: Anticipated Eligibility Growth (2014-2019)

	Expanded Eligibility	Woodwork Population	NCHC to Medicaid	TOTAL	TOTAL New to State
Children		77,479	57,714	135,193	77,479
Childless Adults	261,654			261,654	261,654
Parents	150,624	35,346		185,970	185,970
Total 2014	412,278	112,825	57,714	582,817	525,102
Children		83,556	77,235	160,790	83,556
Childless Adults	278,063			278,063	278,063
Parents	160,070	37,562		197,633	197,633
Total 2019	438,134	121,118	77,235	636,486	559,252

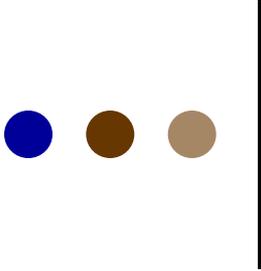
Medicaid: Anticipated Expenditures (in millions)

	TOTAL REQUIREMENTS			STATE APPROPRIATIONS			
	Expand Elig.	Wood-work	TOTAL	Expand Elig.	Wood-work	NCHC to Medicaid	TOTAL
Children		1,231	1,231		424	(422)	2
Childless Adults	8,185		8,185	228			228
Parents	5,515	1,294	6,809	154	446		600
Total 2014-2019	13,700	2,526	16,226	382	870	(422)	830
SFY 2021 Run Rate	2,896	503	3,399	290	186	(176)	299



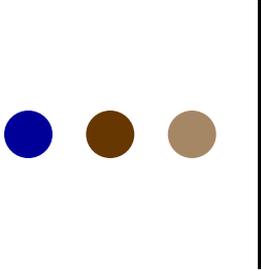
Medicaid Expansion

- Expands Medicaid to cover all low-income adults under age 65 (including childless adults) with incomes up to 138% FPL, based on modified adjusted gross income (begins FY 2014) (Sec. 2001, 2002)*
- No asset tests or use of income disregards to determine eligibility for children and most adults (Sec. 2002)
- States will be required to simplify enrollment and coordinate between Medicaid, CHIP, and the new Health Insurance Exchange (Sec. 2201; 1413)
 - May apply in person, online, by mail, or phone
 - Electronic data matching
 - Outreach required



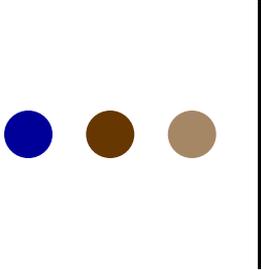
Medicaid Enrollment Challenges

- States will receive an enhanced federal match rate for new eligibles, but existing match rate for people who are already eligible but not enrolled (“woodwork” eligibles)
 - States are required to report on numbers of new eligibles and “woodwork” eligibles
 - How can the state determine number of woodwork eligibles without determining eligibility using old, *complicated*, eligibility processes
 - All states are waiting for further federal guidance on how to maintain simplified eligibility process but meet ACA requirements



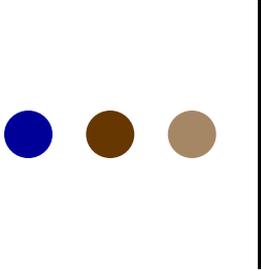
Medicaid and HBE Enrollment Challenges

- Individuals will be eligible for coverage of different benefits depending on whether they receive traditional Medicaid (pre-ACA), are in the Medicaid expansion group (new eligibles), or receive subsidies to purchase private coverage through the HBE
 - Traditional Medicaid coverage most expansive
 - New eligibles will receive “benchmark” coverage which must include, at a minimum, the essential benefits
 - People who receive premium subsidies will receive essential benefits through the HBE



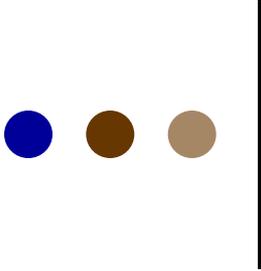
Eligibility For Many Will Change During Year

- Income is not stable for many lower income individuals. A study of individuals with incomes below 200% FPL (who do not have employer-based coverage) showed:
 - 35% of adults would have experienced change in eligibility within 6 months and 50% would have experienced a change within one year.
 - 24% would have experienced at least two eligibility changes within a year and 39% would have experienced at least two changes within 2 years.
 - 43% of adults in the sample had children under age 19 who might experience similar changes.



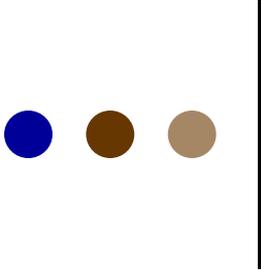
Movement Between Medicaid and HBE

- The ACA does not establish periods of continuous eligibility for adults, so adults are required to report income changes.
 - Important to make real-time reporting of changes of income easy.
 - Individuals can be penalized by receiving more of a subsidy through the HBE than they are entitled. Individuals may be required to repay advance premium tax credits of:
 - \$600 for individuals and families with incomes below 200% FPL.
 - \$2,500 for individuals and families with incomes between 350-400% FPL.



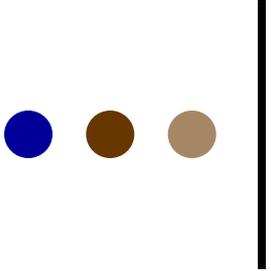
Medicaid: New Innovations

- North Carolina is planning on submitting State Plan Amendment (SPA) to create health homes for management of people with chronic conditions
 - Will build on care management available through Community Care of North Carolina
 - Eligible for enhanced match rate for eight quarters
 - Will focus on improving behavioral health services and care transitions for Medicaid recipients with chronic illnesses
- North Carolina is planning on submitting an application for a Medicaid lifestyle initiative grant
 - Competitive grant available for up to 10 states



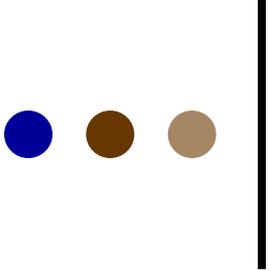
New Models of Care

- The new models of care workgroup met in February and heard interim reports from three subcommittees:
 - *Episodes of Care.* The workgroup began meeting to discuss options to encourage “episode of care” payments.
 - CaraMount and BCBSNC entered into a new initiative to begin paying for knee replacements using an “episode of care” payment.
 - *Transitions of care.* Note: This was a joint subcommittee with Quality and will be discussed further in the Quality update
 - Medicaid Healthy Lifestyles. This was discussed in the Medicaid update.
- New ACO regulations released. Will be discussed later in the presentation.



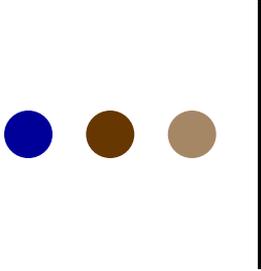
New Models of Care

- The workgroup is beginning to discuss what—if any—infrastructure is needed to evaluate, support, and disseminate new models. For example:
 - Do we need a data repository to collect quality, outcomes, and cost data? What role will the HIE play in capturing these data?
 - Do we need an ongoing structure to encourage dialogue between organizations, and to encourage, evaluate, and disseminate new models of care?



Prevention

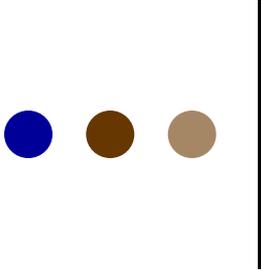
- Workgroup has not met as a whole since last Advisory Committee meeting, but subcommittee has been meeting
- April meeting:
 - Review of draft recommendations for all prevention-related provisions in relationship to gap analysis
 - Review of report and recommendations from Infrastructure Subcommittee



Prevention: Infrastructure Subcommittee

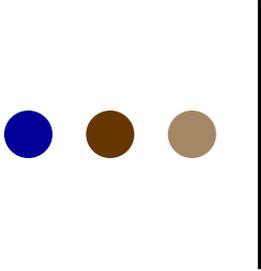
- Goals:

- Identify mechanisms to assist communities with limited public health infrastructure to respond effectively to prevention funding opportunities that may become available through the ACA or other sources.
- Assist these communities with development of infrastructure to address the HNC 2020 objectives.



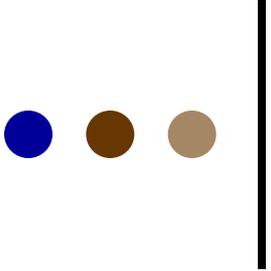
Prevention: Infrastructure Subcommittee, continued

- Recommendation summary:
 - Recognition of the importance of community engagement to the success of interventions to improve community health
 - Partnerships between HNC 2020, NC-OMHHD, community organizations, and academic institutions for development of long-term infrastructure, and to improve coordination to reduce duplication of effort
- Recommendation specifics to be reviewed at April Workgroup meeting



Prevention: Workgroup Recommendations

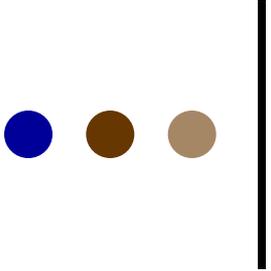
- Summary
 - On-going tracking of grant opportunities through NC Network of Grantmakers and NC-DPH
 - Education through partnerships between state agencies, non-profits, provider organizations/professional societies
 - Monitoring of utilization and impact of prevention services
- Recommendation specifics to be reviewed at April Workgroup meeting



Fraud

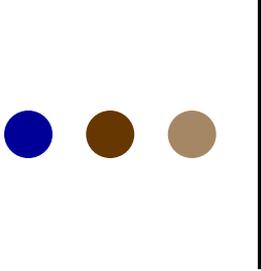
- Foci:

- Legislation draft and ongoing discussion (through April)
- Recommendation for quarterly meetings between state agencies, licensing boards, and provider representatives
 - Initial meeting will address scope and charge of meetings, confidentiality
- Recipient fraud (March, April)



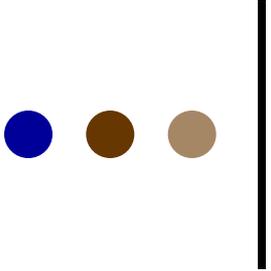
Fraud: Legislation

- Based on gap analysis and guiding principles documents
- State and provider representatives agreed that ACA requirement should be covered, but disagreed on whether legislation should go beyond ACA requirements
- Agreed that details of background check section needed further discussion



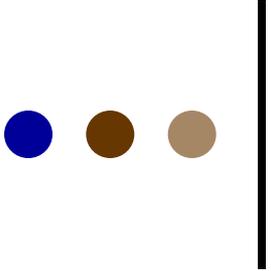
Fraud: Legislation, continued

- Areas of disagreement:
 - Risk adjustment for individual providers:
 - Due process: competency requirements and/or timelines
 - Registration of billing agents: fees, timing of implementation, need for education
 - Audits: clarity on who can perform audits
 - Suspension process: due process, suspension of payment during appeal
 - Background checks: details need further discussion



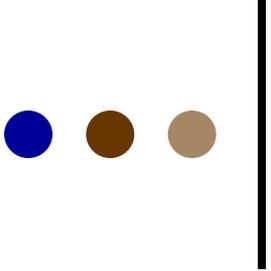
Fraud: Recipient fraud

- Magnitude of problem
- Types of fraud
- Impact of changes in eligibility, identify theft
- Difficulties in identifying fraud
- Balancing the need to identify fraud with the need to encourage appropriate participation in Medicaid
- Necessary manpower for investigation and prosecution of cases



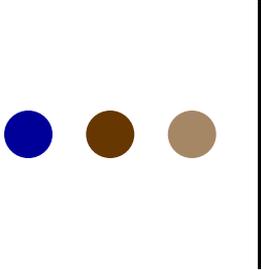
Workforce

- Foci since last meeting:
 - Recruiting and retaining health professionals to health professional shortage areas (HPSAs)
 - Challenges and barriers to achieving an effective skill mix of health professionals in patient centered medical homes
 - Nurse perspective on policy options to reduce barriers to meeting North Carolina's primary care needs



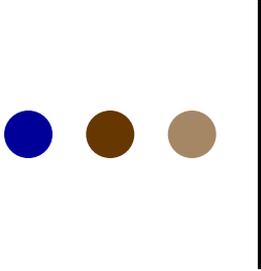
Workforce

- Medicaid reimbursement: The importance of not cutting rates to meeting the primary care needs of NC
- Recruiting and retaining health professionals:
 - Capitalize on National Health Service Corp funds to reduce costs of recruiting to HPSAs
 - Potential recommendation: utilize state recruitment \$ to teach communities how to improve recruitment efforts
 - Potential recommendation: teaching health centers
- *The workgroup will discuss the potential recommendations at our May meeting
- Retail health clinics
 - Need to be integrated in to health system to ensure care isn't further fragmented



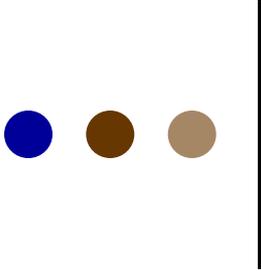
Workforce: Skill mix challenges and barriers

- Financial
- Educational
- New models of care
- Implementation of integrated care
- Planning for changing workforce demographics



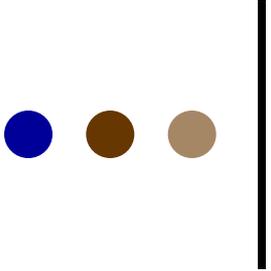
Workforce: Nursing perspectives

- Providing primary care in diverse settings
- RIBN program to increase education levels of nurses
- Policy issues:
 - Barriers raised by using a joint regulatory model between the Board of Nursing and the North Carolina Medical Board—particularly the requirement for physician oversight of nurse practitioners
 - Insurance reimbursement policies which can pose a variety of barriers to nurses providing primary care
- Potential recommendations to be discussed further at May meeting



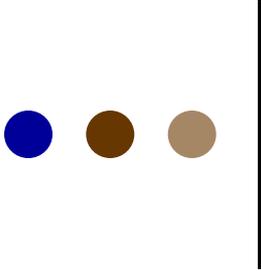
Workforce: Future discussions

- Policy options to influence where and who new dentists serve
- Allied health professionals
- Diversity and pipeline issues
- Physician supply



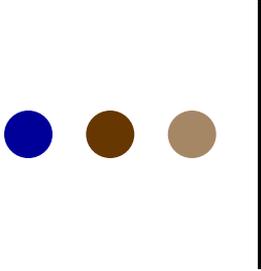
Quality

- Two subcommittees worked on aspects of the gap analysis
 - Legislation
 - Transitions from hospital to skilled nursing or outpatient care
- Final meeting of workgroup: March
 - Provision summary and recommendations will be finalized through electronic communication



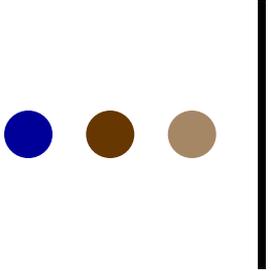
Quality – Legislation subcommittee

- Identified areas of interest that would benefit from legislation, e.g., safe harbor
- Concluded that there was no need for legislation based solely on ACA gaps



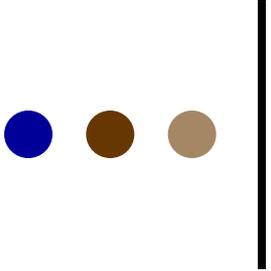
Quality – Transitions subcommittee

- Joint subcommittee with New Models workgroup
- Identified gaps and best practices in transitions of care
- Subcommittee report to be included in final overall report



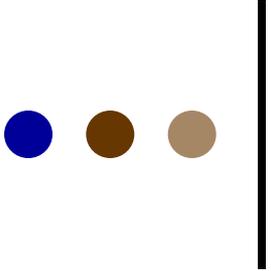
Quality: Recommendations

- Education for hospitals, physicians, and other provider organizations on the quality measures required by the ACA
- Mechanisms to reduce administrative burden caused by some reporting requirements
- Storage of data reported to the federal government so that it can be accessed by the state
- Improvements in transitions of care
- Reimbursement for nurse practitioners in skilled nursing facilities
- Continued tracking of grant opportunities



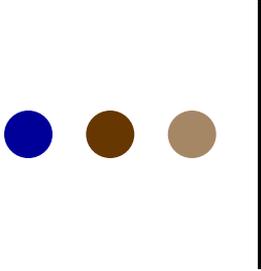
Quality: Other work products

- Transitions subcommittee report
- Information sheet on Quality provisions requiring education of providers
 - Focuses on changes providers need to make to be in compliance with federal law
 - Ordered by required date of implementation
 - Provided to organizations who have been identified as parties responsible for provider education



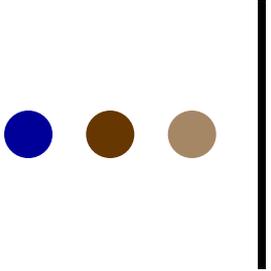
Safety Net

- Focus: How to improve access through safety net organizations, focusing on a different aspects of safety net care at each meeting
- January: Information technology
- March: Dental health
- April: Urgent and emergency care
- May: Pharmacy care



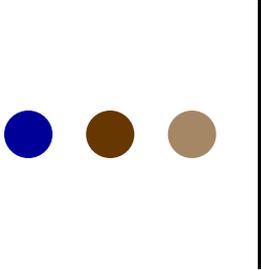
Safety Net: Information Technology

- Health information technology:
 - Federal goals for grants received
 - Current infrastructure
 - Relationship between HIT and ACA
- Controlled substance reporting system:
 - Access for authorized individuals to a patient's controlled substance prescription history
 - Goals: informed plans of care & decrease fraud and abuse



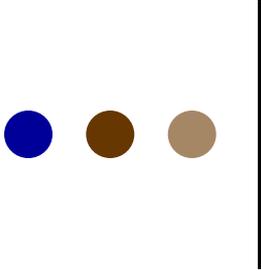
Safety Net: Dental Health

- East Carolina University School of Dental Medicine
 - Greenville clinic: pediatric, adult, emergency, and access for those with physical disabilities
 - Decentralized education model
- NC Medicaid Dental program
 - Current role and changes due to ACA
 - Serves mostly children
 - Foci: basic oral health, prevention, outreach



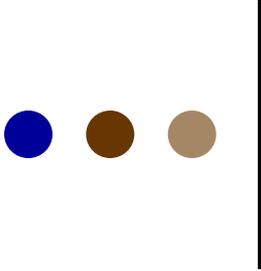
Safety Net: Dental Health and the ACA

- Oral health included in primary care provisions
 - All new FQHCs will have dental clinics
 - School-based health centers will be expanded to include dental services
 - New standards for dental & medical equipment



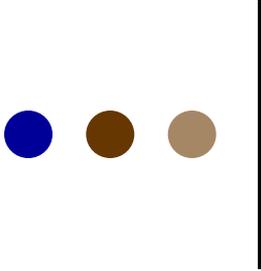
Safety Net: Dental Health and the ACA, continued

- Workforce:
 - Loan repayment
 - Dental demonstration grants
 - Money for dental training
 - Mid-level providers (e.g., dental therapists)



Safety Net: Dental Health and the ACA, continued

- Mandatory coverage and expansion of Medicaid will increase # of people eligible for dental care services
 - May cause financial strain for states, leading to reduction in optional Medicaid services (e.g., dental services for adults)



Health Benefits Exchange and Insurance Oversight

- Reports on:
 - **Preliminary findings from Milliman Actuarial Consulting Group**
Federal grant opportunities to support HBE development
Other grant updates
Julia Lerche, FSA, MAAA, MSPH
Health Actuary
NC Department of Insurance
 - **HB 115 Update**
Benjamin Popkin, JD, MPH
Health Care Attorney
General Counsel's Office
NC Department of Insurance