

NC DEPARTMENT OF HEALTH AND HUMAN SERVICES
DIVISION OF MEDICAL ASSISTANCE

MEDICAL CARE ADVISORY COMMITTEE
TELECONFERENCE MEETING – APRIL 10, 2015
KIRBY BUILDING, CONF. RM 297 – 1985 UMSTEAD DRIVE, RALEIGH, NC 27699
MINUTES

The Medical Care Advisory Committee (MCAC) met on Friday, April 10, 2015 at 9:00 am via teleconference.

ATTENDEES

Telephone: Dr. Karen Smith, Dr. Marilyn Pearson, Casey Cooper, Thomas Johnson, Billy West, Susan McCracken, Kim Swartz, Erica Nelson, Kristen Dubay, Romahn Hemingway, Tracy Colvard, Annette Kiser, Michelle Hanes, Jane Albright, Robin Carlson, Janelle Lanza (Shire Pharmaceuticals)

In Person: Dr. Cummings, Dr. Nancy Henley, Roger Barnes, Melanie Bush, Sabrena Lea, Chip Pate, Jeff Horton, Candice Aparicio, John Stancil, Mark Casey, Linda Marsh, Teresa Smith, Sarah Pfau, Ameet Chavan, Shelia Platts, Kelsi Knick, Pamela Beatty

CALL TO ORDER

Dr. Karen Smith, MCAC Chair

- Meeting was called to order at 9:05 am with welcoming remarks followed by introductions of participants.
- Minutes approved from the August 22, 2014 and December 12, 2014 Meetings.

OPENING COMMENTS

Dr. Robin Cummings, Medicaid Director-DMA

- Extended appreciation to everyone for their participation.
- The Division of Medical Assistance (DMA) is getting lots of attention; inundated with audits from Office of State Auditors, OIG and CMS. Realignment of the Division is going well. Strong team in place; filled four Director positions: Sandra Terrell, Director of Clinical, Dee Jones, Director of Operations, Trey Sutton, Director of Finance, Steve Tedder, Director of Business Information. Still have a ways to go as we continue to search for a Director of Compliance.
- Area of reform, the General Assembly is back in session with a number of bills proposed. One is to move the Division out of the Department of Health & Human Services (DHHS). Emphasized that the Division is in support of a provider lead patient-centric ACO model resulting in a predictable and sustainable future. Provider groups met recently and produced a plan to send to the Legislature; should get a response in a couple weeks.
- 3% Physician Services Rate Reduction enacted by the Legislature is ongoing. Provisions are available for hardship cases. Medicaid recoupment will be completed by June 30, 2015.

PHARMACY UPDATE

John Stancil, Pharmacy Director, DMA

- Specialty drugs accounted for a 25-30% increase of total pharmacy spending nationally.
- In 2014, NC Medicaid Program experienced a 35.8% increase in specialty drug spending. Represents 28% of total pharmacy drug spend.
- Increase in spending was driven by three new hepatitis C drugs which had the largest impact on Medicaid programs in 2014. Top three specialty drug classes were HIV, inflammatory conditions, and Hepatitis C.
- There was concern from the group regarding the expensive costs of these specialty drugs and their ineffectiveness if patients cannot afford to purchase them. Prompted questions and lengthy discussion on how can emphasis be placed on health care, spending optimal time with patients, promoting education, and integrating technology to prevent/decrease use of these specialty drugs.
- For more details, please refer to John Stancil's presentation (Pharmacy Update) at:
<http://www2.ncdhhs.gov/dma/mcac/index.htm>

The minutes are a synopsis of the MCAC Meeting topics. All items are an update of the program area since the last meeting. Dates vary dependent upon reporting period. Available presentations may be viewed for more details on the DMA Medical Care Advisory (MCAC) web page at: <http://www.ncdhhs.gov/dma/mcac/index.htm>.

MEDICAID BUDGET UPDATE

Roger Barnes, Deputy Finance Director, DMA

- Provided a year-to-date analysis of the total expenditures for Medicaid, Health Choice and Medical Assistance Special Funds.
- Ended February 2014 with 1.8 million enrolled in the Medicaid Program. Forecast is slightly above that; however, we are very close to it and about two-thirds through our fiscal year.
- Families and dependent children AFDC (over 21) and AFDC (under 21) are the largest growth; however, they are the least expense per member.
- Pharmacy spending represents our number one line item increase of 21% compared to last year's actual spend.
- Total spend in Medicaid payments is about 8.9% compared to last year's 6.9%. Good news is there are increases in drug rebates and supplemental hospital payments.
- Medicaid budget as of January 31, 2015 to date is close to our forecast on all expenditures which is a good thing. Completed 67% of our check-writes. Still in a good position and looking at coming in under budget.
- Dr. Cummings added that the forecasting model developed by Alvarez and Marsal (A&M) is working well and giving us good results. Meeting on a regular basis with our Fiscal Research Division, the General Assembly and the Office of State Budget.
- For more details, please refer to Roger Barnes' presentation (Medicaid Budget Update) at: <http://www2.ncdhhs.gov/dma/mcac/index.htm>

HOME AND COMMUNITY BASED SERVICES UPDATE

Sabrena Lea, Assistant Director-Facility, Home and Community Based Services, DMA

- Presented an overview on the Division's programs within the home and community based services unit.
- **Money Follows the Person (MFP)** a state demonstration grant that began in 2007 with the purpose of increasing access of home and community based services to individuals with disabilities who had been living in institutionalized settings.
- North Carolina has transitioned 512 individuals from institutional settings back to the community. Transitional support and funding were provided to those who transitioned by means of case management.
- Through the MFP initiative, NC launched a new initiative called the NC Community Transitions Institute that provides collective learning opportunities for qualified professionals who assist individuals with long-term care needs to transition from facility settings to their homes and communities.
- Three Community Alternatives Programs (**CAP/Disabled Adults (CAP/DA)**, **CAP/Children (CAP/C)** and **CAP Choices**) help individuals requiring long-term care to stay in their homes with community support services.
- In 2009, DMA was legislatively mandated to consolidate case management and waiver functions. A plan was implemented in 2011 to consolidate the CAP waivers and streamline the waiver processes and case management functions.
- The CAP/C waiver will expire on June 30, 2015. A renewal waiver application will be submitted to CMS to combine the CAP/C and CAP/DA waiver functions serving a limited number of people as allocated by the General Assembly.
- In the process of convening a number of work groups and engaging CAP/DA and CAP/C providers in discussions as we move towards the submission of our renewal waiver packet. Providing training across the state through our CAP/DA and CAP/C consultants about our web platform E-CAP.
- Continuing to support the Program of All-Inclusive Care for the Elderly (PACE) in NC. The program's growth rate is 10% higher than any other optional program that we provide.
- NC currently operates 11 PACE organizations in 12 locations. The current census for the PACE programs is a little over 1200 individuals.
- December 2014, Staywell PACE Program opened doors for operation serving individuals in the Randolph County.
- March 2015, CarePartners Program opened doors for operation serving individuals in Buncombe County.
- January 2015, the Department submitted recommendations to the NC General Assembly about the continued development of our PACE organizations across the state.
- For more details, please refer to Sabrena Lea's presentation (**Home & Community Based Services Update**) at: <http://www2.ncdhhs.gov/dma/mcac/index.htm>

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ICD-10

Chip Pate, ICD-10, Senior Technical Analyst/ICD-10 Project Manager, DMA

- Congress passed legislation to delay the ICD-10 implementation deadline until October 1, 2015.
- Recently completed the state user acceptance test for successful processing of ICD-10 claims. Testers included the Divisions of Medical Assistance, Mental Health, Public Health, and the Office of Rural Health and Community Care. Working with CSC to resolve system defects discovered during testing.
- Preparing to conduct the provider and trading partner testing phase. Testers will consist of 80 providers and the top 20 trading partners in terms of claims volume.
- One of the biggest risks and challenge will be with providers and trading partner's readiness. Survey responses revealed 60% readiness for ICD-10. Forty-percent of the smaller providers are not ready. A crosswalk, accessible on the ICD-10/NCTracks website, will be available to assist them. Encouraging smaller practices to familiarize themselves with the subset codes relative to their practice only.
- Expect an increase in call volume, emails, and letters after going live. Ramping up a support structure to accommodate the additional load. Support to ease the transition will be in place on October 1, until stabilization -- CSC call center dedicated to ICD-10 related issues, a Tiger Team to ensure immediate response to issues, and enhanced monitoring of the system, refinement of the NCTracks ICD-10 crosswalk, training as well as a weekly reports before check writes. Practices may contact Chip Pate should they have questions during preparation.
- For more details, please refer to Chip Pate's presentation (ICD-10 Update) at: <http://www2.ncdhhs.gov/dma/mcac/index.htm>

OTHER

- Dr. Smith asked if NC Medicaid recognizes, for dual eligible individuals, the new CMS chronic care management code 99490 for payments to providers. Roger Barnes responded; if the dual eligible is a QMB and we do not cover the code, we will cover the cost share. If they are not a QMB, we will not cover the cost share. Dr. Hensley added that Medicaid does provide case management services under other mechanisms and it would be a duplication of services if Medicaid covered that code and the other mechanisms.
- Dr. Hensley does not see NC Medicaid making that code available.
- Dr. Smith asked if clarification of this information could be shared in a bulletin article with the Medical Society and the Academy. Staff agreed to do so.
- In closing, Dr. Cummings announced the next MCAC Meeting on Friday, June 19, 2015 and informed the group that the MCAC Nominations process will be starting soon. A notice will be sent requesting nominations. Asked that the current members let the Division know their desire to continue or not to continue serving on the Committee. The DHHS Secretary has ultimate appointing authority of the members.

PUBLIC COMMENTS

- NONE

ADJOURNMENT

- Meeting adjourned at 10:57 am

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