



Comments to NC Medicaid Reform Advisory Committee
By William A. Dennis, MD, President, NC Academy of Family Physicians
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Good morning. My name is Dr. Bill Dennis, and I'm president of the NC Academy of Family Physicians. On behalf of our more than 3,500 members serving on the frontlines of primary care, let me first say thank you for giving us the opportunity to share our comments today.

As family physicians, we are trained to process and understand the symptoms our patients present for the sole purpose of making a correct diagnosis. Once the correct diagnosis is made, it becomes our imperative to develop a treatment plan that addresses the underlying health concern, not just remedy a patient's symptoms. Only then can we deploy the necessary healthcare resources to ensure the best possible outcomes for our patients. Successful Medicaid reform is no different.

With that in mind, our members first and foremost ask that this committee start by making a correct diagnosis of North Carolina's Medicaid system, and not just treat the symptoms. We can tell you first-hand that while there are aspects of our system that may need treatment, there are many things within our state's Medicaid program that are healthy and working well. This includes our state's award winning system of patient-centered medical homes. We believe the issues with Medicaid that need to be addressed have more to do with inaccurate budget forecasting than actual care delivery. Per recipient claims spending in North Carolina is actually decreasing, and overall Medicaid claims spending is growing at a rate lower than the growth in the number of actual recipients.

Our organization has drafted a list of Guiding Principles for Medicaid Reform. With the limited amount of time we have this morning, I will outline just a few of these for you. However, we will provide each of you with a complete list of our Guiding Principles for your review. First, reform must build on what is already working in North Carolina based on the investments we have already made.

- Our state's family physicians have been working collaboratively with Community Care of North Carolina for years, investing their time and energy to improve quality and lower costs. These efforts have worked.
- Our state has one of the largest numbers of nationally certified Patient-Centered Medical Homes in the country; and a higher percentage of primary care physicians in NC accept Medicaid than in almost any other state. Primary care is the foundation of an effective and efficient healthcare system and any reform measure must preserve the strong base we have today.
- Medical Homes -- such as those developed through CCNC -- have time and time again been shown to improve quality of care while lowering costs, in both public plans like Medicaid and within the private sector. These medical homes should be the foundation of reform, taking our system to the next level through physician-led accountable care organizations. Through these ACOs, we can realign payment incentives from a volume based "sick-care-system" to a "health-and-wellness-system" based on prevention, chronic disease management, and primary care. While there are many details to be worked out, we appreciate the Department's comments highlighting the potential benefits of ACOs during yesterday's Joint Legislative Oversight Committee

Secondly, reform must decrease the administrative complexity of our healthcare system. We need our state's family physicians and others concentrating on providing care for their patients, not jumping through unnecessary administrative hoops.

Finally, reform MUST keep scarce healthcare dollars in North Carolina, providing the care our patients need, not paying for additional administrative overhead that is funneled to multiple out-of-state managed care companies. We simply cannot afford to settle for the failed policies of managed care that have proven to be disastrous in state after state throughout our country. We must use scarce healthcare dollars to build upon and improve what is working, not pay a premium to build a new system.

In summary, for true and lasting success with Medicaid reform, we ask that you take the time to accurately diagnose the problem, not just identify symptoms. Let's work together to design and implement a treatment plan that leverages the investments we've already made and emphasizes care for our patients. Our state's family physicians stand ready to work with you to address the unique needs of North Carolina. Thank you for your time this morning.

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