



HAYWOOD COUNTY
BOARD OF COMMISSIONERS

AGENDA REQUEST

*Must be presented to the County Manager's Office
NO LATER THAN 5 P.M. FRIDAY THE WEEK BEFORE THE MEETING*

DATE OF REQUEST: April 22, 2016

FROM: Stoney Blevins, HCHHSA Director, Assistant County Manager

MEETING DATE REQUESTED: **May 2, 2016 @ 9:00AM**

*Regular meetings: First (1st) Monday of the month at 9:00 am
Third (3rd) Monday of the month at 5:30 pm*

SUBJECT: Medicaid Reform Legislation Report

REQUEST: **ADMINISTRATIVE/AGENCY REPORT**

(What action are you seeking?)

Provide information on Medicaid Reform Legislation; latest information on the status of the legislation, planned changes, projected timeframe for implementation, potential impact.

BACKGROUND:

(Research and justification of proposal and need; Alternatives evaluated; Legal Basis: Outcome-What will be achieved and how will it be measured?) Medicaid Legislative Reform was passed by the NC General Assembly in September 2015. A Medicaid Reform Plan was outlined recently that explains the plan for improving care while holding down costs through a switch from fee-for-service to a pre-paid health plan to provide more accurate and responsible budgeting, to be rolled out over the next four years.

IMPLEMENTATION PLAN:

(How and when will staff undertake the action?)

To be implemented by 2020.

FINANCIAL IMPACT STATEMENT: (What is the cost? Where is the money coming from? Optional or mandated?) N.A.

SUPPORTING ATTACHMENTS: YES X NO HOW MANY? 2

LIST: (1) press release; (1) Powerpoint to accompany report (will be completed Monday or Tuesday AM)

PowerPoint Presentation: YES X NO

PERSON MAKING PRESENTATION AT MEETING: **Talmadge "Stoney" Blevins**
TITLE: **Assistant County Manager/HHSA Director**
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E-MAIL: **tsblevins@haywoodnc.net**



STATE OF NORTH CAROLINA
GOVERNOR PAT McCrORY

Press Release

Medicaid Reform Plan Offers a North Carolina Solution

Plan seeks to achieve better patient outcomes, high quality care, increased budget predictability

FOR IMMEDIATE RELEASE
Tuesday, March 1, 2016

(919) 814-2100
govpress@nc.gov

Raleigh, N.C. – State health officials today unveiled an innovative, multi-year draft plan for reforming North Carolina’s Medicaid program to achieve better patient care, better community health, improved doctor-patient engagement and cost containment. This comes after the September 2015 passage of historic Medicaid reform legislation, achieved under the leadership of Governor Pat McCrory and the North Carolina General Assembly.

“The Medicaid Reform plan outlined today will improve care and hold down costs and empower medical professionals to achieve better outcomes for their patients,” Governor McCrory said. **“This patient-centered approach is the result of providers, associations, advocates, members of the General Assembly and DHHS leaders working together to prepare us to take this important step for all the citizens of North Carolina.”**

The reform plan was presented to the Joint Legislative Oversight Committee by Department of Health and Human Services Secretary Rick Brajer. It transforms the state from a fee-for-service, or volume-based system to a pre-paid health plan which is valued based. This system will promote community-based, comprehensive care management that integrates behavioral health as well as physical health to ensure beneficiaries are reaching and maintaining the highest level of health possible. The new plan is also designed to provide more accurate and responsible budgeting each year.

Medicaid beneficiaries will continue receiving services in the way they do now, until reform is implemented, which is expected to take approximately 36 months. After implementation, beneficiaries can expect more choice, more engagement and more coordination of their care.

“This plan builds on what works in North Carolina,” Brajer said, “by bringing innovation and new tools into the health care system to ensure the system puts people first, and rewards health plans and providers for making patients healthier while containing costs.”

This proposal is the product of nearly three years of stakeholder engagement and planning, and is an important step in accomplishing the joint vision of Governor McCrory and the General Assembly.

To change a state’s Medicaid plan, a waiver application must be submitted to the Centers for Medicare and Medicaid Services (CMS), the federal agency that works in partnership with state governments to administer Medicaid. DHHS will submit the state’s waiver application June 1. It is expected to take at least 18 months to receive approval from CMS. Once approved, Medicaid reform will be implemented over the following 18 months.

Over the next two months, DHHS will hold a series of listening sessions across the state to gather feedback from citizens and other stakeholders.

Medicaid accounts for the care of nearly two million citizens in North Carolina at an annual cost to the federal and state government of \$13 billion. It serves approximately one in five North Carolinians and covers about 55 percent of births in the state. About 80,000 healthcare providers in the state serve Medicaid clients.

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MEDICAID REFORM LEGISLATION

Presented by Talmadge Stone Blevins

May 2, 2016

Who Is Covered?

- Medicaid serves low-income parents, children, seniors, and people with disabilities.
- This equates to **1.9 million NC citizens**, almost **20%** of the state population
- Over **14,000 Haywood County citizens** utilize Medicaid as their health insurance program
- Medicaid does not serve all low income citizens (i.e. single adults or married couples without children)

Who Pays For It?

- Each state runs its own Medicaid program in conjunction with the federal government, and federal participation varies from state to state
- In NC, Medicaid payments are 66% federal dollars and 34% state dollars

What Is Medicaid Reform?

- **Session Law 2015-245, passed in September 2015, is the legislation defining the Medicaid reform efforts in NC**

- **Key distinctive/ goals of Medicaid Reform are:**
 - Budget predictability
 - Innovative health care that rewards providers for making patients healthier
 - The use of prepaid health plans (PHPs) versus fee for service system
 - The establishment of 3 statewide and up to 10 regional PHPs
 - Dental services and dually eligible recipients (Medicare and Medicaid) are carved out of the model and remain fee for service
 - Four years after implementation, PHPs must practice “whole person” care, which means both physical health and behavioral health. Until that time, the current managed care system for behavioral health remains

- **Haywood County impact:**

- Medicaid beneficiaries will pick their own PHP organization
- HHSA will continue to enroll citizens and determine eligibility for Medicaid coverage
- HHSA will continue to provide core public health services, as the bill names local public health as an “essential provider”
- Local physicians and other Medicaid providers will be paid to serve enrolled patients on a capitated basis, with incentives for keeping patients well.

What Are The Next Steps to Implementation?

- **NC must apply to the Federal 1115 Medicaid Agency (CMS) for a waiver to change its state plan. This application will be submitted June 1, 2016**
- **If the waiver is approved (estimated January 2018), then the waiver will be fully implemented 18 months later (July 1, 2019)**