NC Department of Health and Human Services
Division of Health Benefits

NC MEDICAID
CHIEF MEDICAL OFFICER UPDATE

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Medical Care Advisory Committee (MCAC) Meeting
June 17, 2022

Medicaid and NC Health Choice Annual Report State Fiscal Year 2021

- Legislatively required report that provides details and examples of how tax dollars are used to make a difference in the lives and communities of North Carolinians
- Shares SFY 2021 (July 1, 2020 through June 30, 2021) accomplishments and financial results for the Division of Health Benefits
- Grown from a 16-page, primarily financial and enrollment report to 90+ pages showcasing NC Medicaid's value to individuals, communities and the state
- Annual reports and tables since 1980 available on NC Medicaid website at medicaid.ncdhhs.gov/reports

Annual Report Contents

Executive Summary	Making North Carolina Healthier	Managing Budget, Cost and Health Care Needs	Financial Review	Overview of Programs & Services
• One-page snapshot of financials and demographics • High-level financial results, key accomplishments and a look ahead to SFY 2022	• Highlights of NC Medicaid people and programs in action • Descriptions of specific program activities and how they serve North Carolina communities • Beneficiary and provider stories that bring program benefits to life	• Overview of how services and functions help NC Medicaid be good stewards of taxpayer dollars • Examples of functions: contact center, compliance, data analysis and reports, finance, technology infrastructure, provider operations • Initiatives: Managed care	• Expenditures by funding source • Payments by category of service • Detailed financial and enrollment exhibits included in appendix	Descriptions of all services and programs

Snapshot

Financials ($billions)	SFY 2021	SFY 2020
Expenditures	$18.1	$16.9
Federal Revenue	$12.3	$11.2
Other Revenue	$1.9	$2.0
State Appropriations	$3.9	$3.8

Statistics	SFY 2021	SFY 2020
NC Medicaid Beneficiaries	2.3 million	2.2 million
- Medicaid	2.2 million	2.1 million
- NC Health Choice	137 thousand	114 thousand
Claims Processed	227 million	252 million

Average monthly beneficiaries

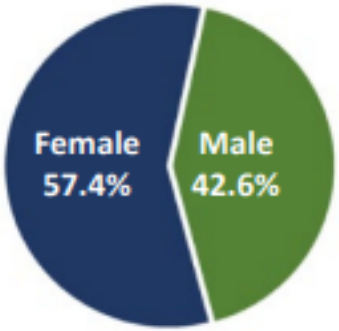
Sums are affected by rounding

Provider count represents unique National Provider Identifiers registered in the NC Medicaid system

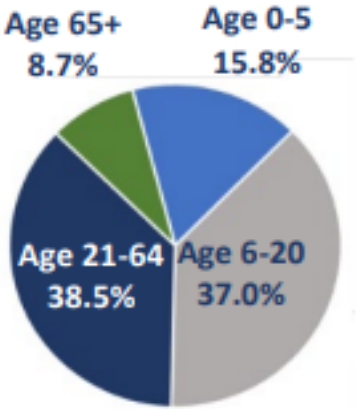
Claims processed represents approximately $15 billion paid through NCTracks in state fiscal year 2021

Snapshot

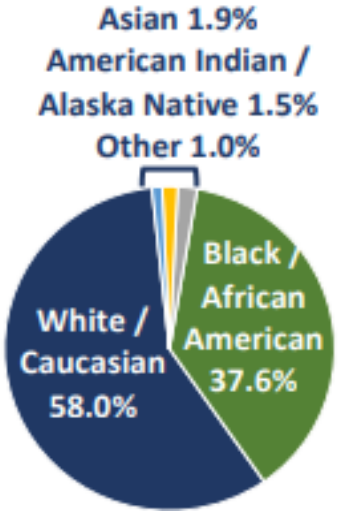
Gender



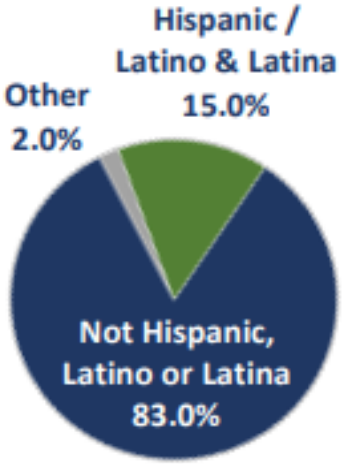
Age



Race



Ethnicity

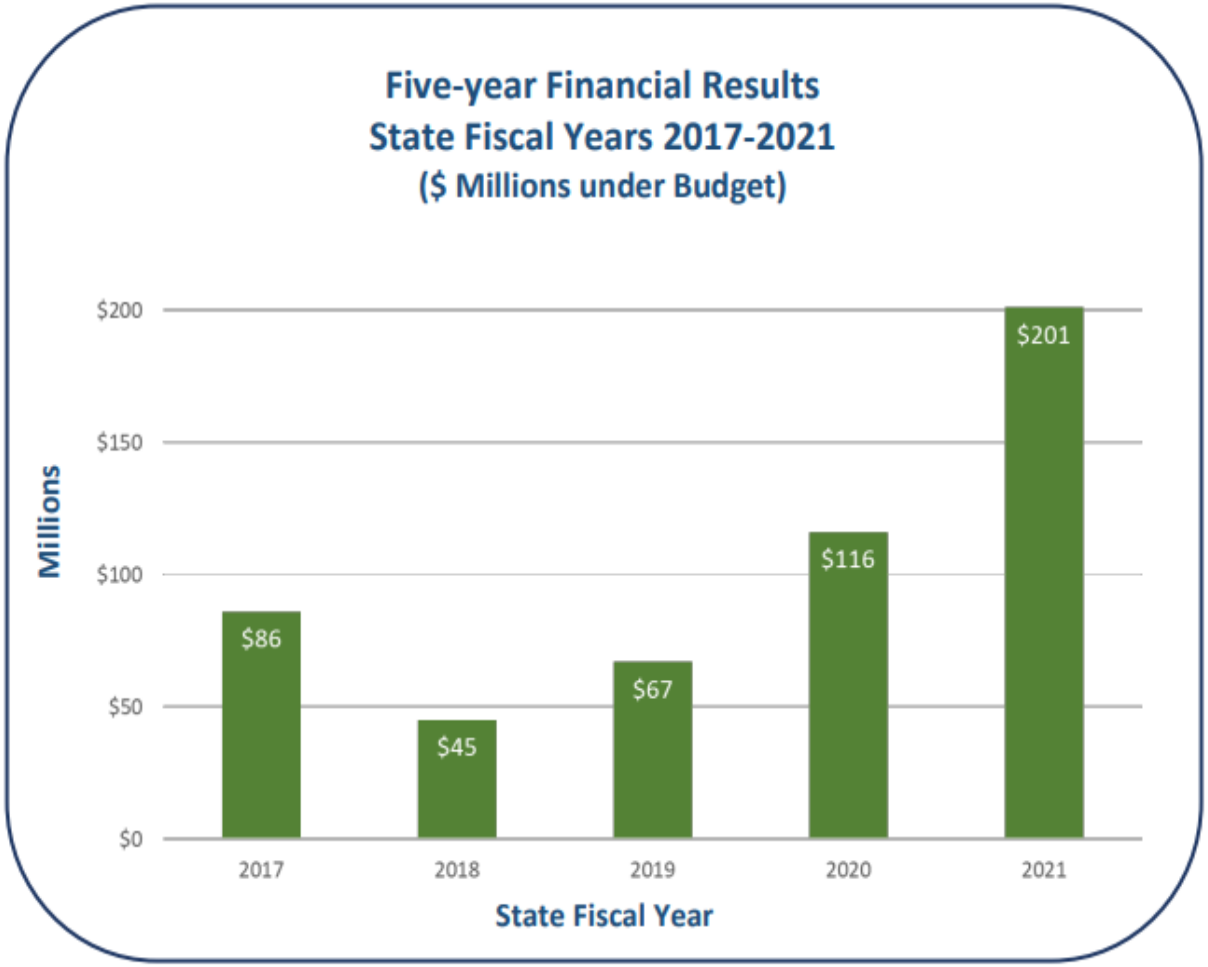


Beneficiary gender, age, race, ethnicity percentages represent all individuals who applied for NC Medicaid benefits in state fiscal year 2021

Applicants are not required to state race or ethnicity; therefore, unreported data are not included

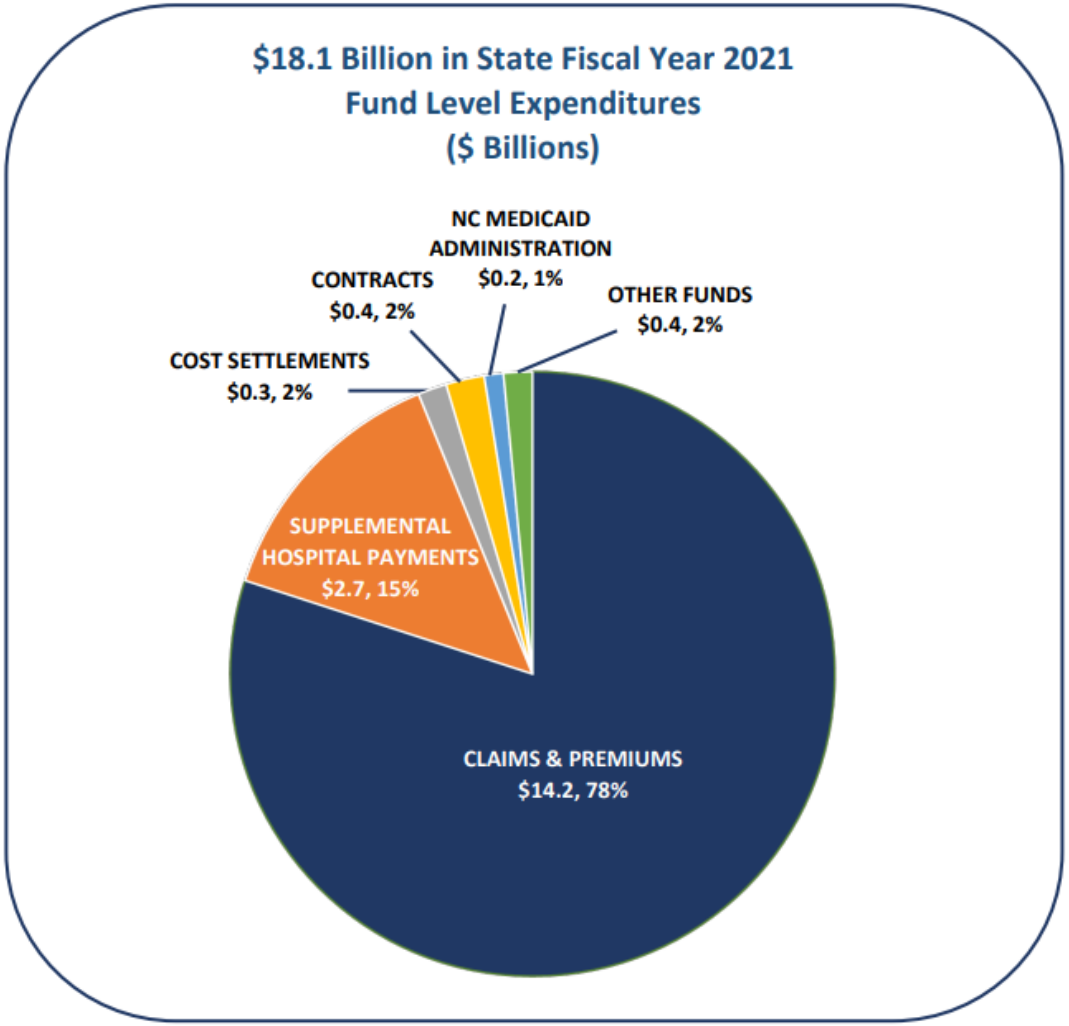
Financial Results

- $201 million under budget
- 8th consecutive year
- Lower utilization of service affected by survey in COVID-19, which contributed to minimizing non-urgent procedures and an increase in beneficiaries staying home



Financial Results: Expenditures

- Total spending increased by approximately 7.8% compared to SFY 2020 although expenditure of state appropriations increased only 3.3%
- Approximately 80% of expenditures were for services paid for through claims, premiums and capitation payments
- Supplemental hospital payments reimburse hospitals for a portion of cost of treating Medicaid patients and uninsured patients



Key Accomplishments

- Served more beneficiaries in SFY 2021 than SFY 2020
- Continued managing temporary policy flexibilities for COVID-19
- Prepared for launch of NC Medicaid Managed Care Standard Plans on July 1, 2021

COVID-19

- Quarantine and Isolation Supports Services Program September 2020 through April 2021
- Services to over 35,000 households, most in historically marginalized population communities
- Covid Surge Flexibilities
- Leadership on COVID vaccination efforts

CAP/C and CAP/DA

- Enrollment in CAP/C increased by 357 individuals for total enrollment of 3,092
- CAP/DA waitlist reduced from 2,087 to 940 individuals

EPSDT

More than 96% of children under age 1 and 83% of children ages 1 to 2 received all recommended preventive check-ups, including infant / toddler vaccines

Key Accomplishments (cont.)

Fraud, Waste and Abuse

- Prepayment reviews resulted in denied or reduced claims representing $41,466,566 in reduced costs to the state
- Recovered $8,545,058 from post-payment reviews
- Additional $692,503 from beneficiary reviews and county audits

NCCARE360

- Partnership with Foundation for Health Leadership & Innovation used as part of care management activities using a coordinated, community-oriented and person-centered approach to delivering care
- All LME/MCOs and health plans onboarded by June 2021
- Over 30,000 clients served using the NCCARE360 platform

Spotlight: Money Follows the Person

- **Transitioned 148 beneficiaries out of facilities** and into individuals' homes and communities
- **Saved an average 42% in reduced post-transition Medicaid spending** compared to pre-transition costs for MFP beneficiaries who are seniors or have physical disabilities
- **Held monthly online professional development and learning series** on transitions, housing, benefits and increased social connections with nearly 2,400 participants
- **Invested $3.1 million in 8 grant initiatives** through MFP Rebalancing Fund to address specific barriers to transitions, such as housing, tenancy supports and workforce development
- **Provided education for 420 skilled nursing facilities** to support individuals at the highest risk of contracting COVID-19

Spotlight: Pharmacy

- 14.6 million prescriptions costing $743 million
- Beneficiaries received an average of 6 prescriptions each at approximately $25 per prescription cost
- Compliance with Preferred Drug List continues at 95% demonstrating that PDL medications are appropriate for provider population and beneficiaries

Includes antihistamines, nasal steroids, neuropathic pain agents, proton pump inhibitors, antidepressants, antihypertensives, statins and nonsteroidal anti-inflammatory medications

Top 10 Drugs by Claim Count
1. Cetirizine tab
2. Gabapentin cap
3. Fluticasone nasal
4. Omeprazole
5. Sertraline tab
6. Cetirizine solution
7. Trazodone
8. Clonidine
9. Atorvastatin
10. Ibuprofen tab

Includes dermatitis, mental illness, seizure disorder, plaque psoriasis, opiate dependence, hepatitis C and movement disorders

Top 10 Drugs by Net Spend
1. Dupixent
2. Vraylar
3. Invega Sustenna
4. Stelara
5. Epidiolex
6. Suboxone Film
7. Abilify Maintena
8. Mavyret
9. Ingrezza
10. Rexulti

Spotlight: Opioid Epidemic

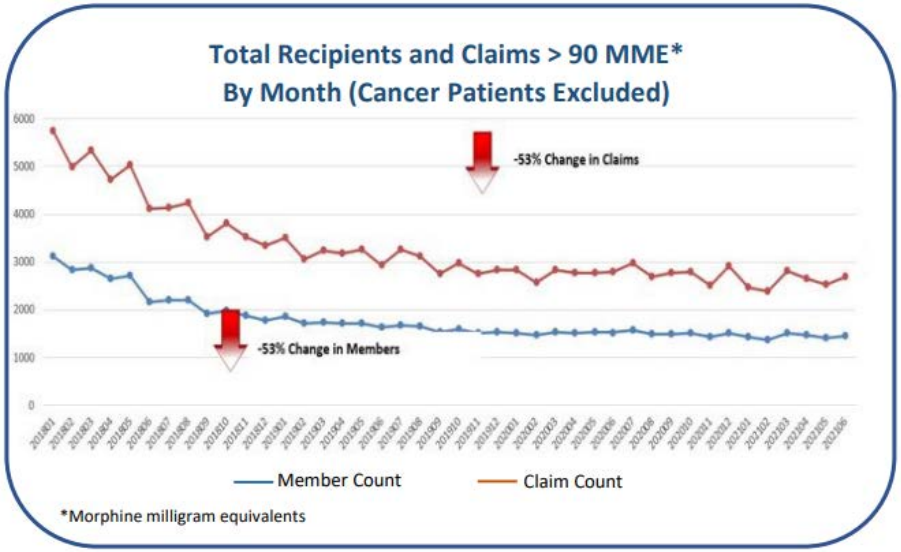
SFY 2021 Enhancements

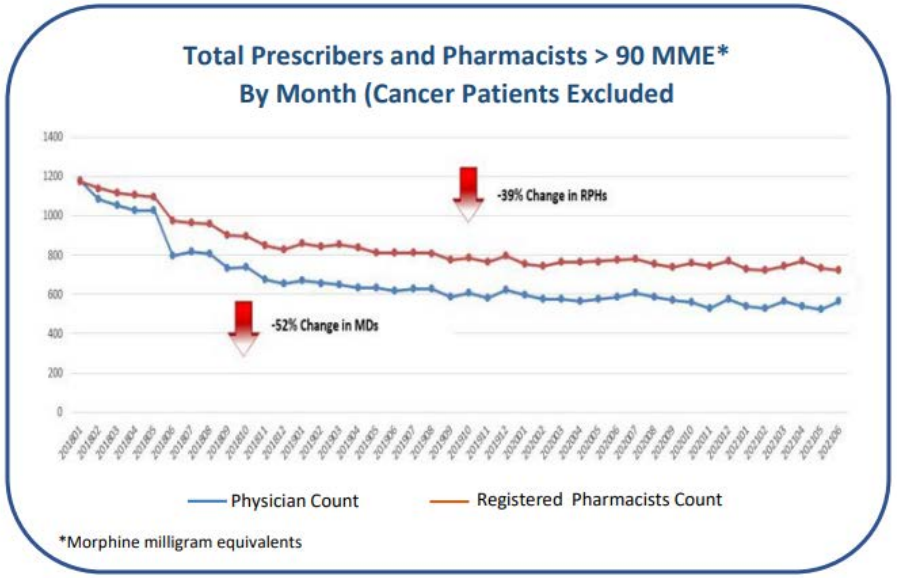
- Policies that comply with the NC STOP Act
- Supplies for greater than 7 days of opioids requiring prior authorization, regardless of placement on the NC Preferred Drug List (PDL)
- Abuse deterrent formulations preferred on the NC PDL
- 90 MME cumulative limit without high dose prior authorization
- Early refill alert set at 85%
- Therapeutic duplication alert, opioid plus benzodiazepine system edit, monitoring of high-dose prescribing
- Lock-in program for coordination of care
- Encouragement to use Naloxone standing order

Spotlight: Opioid Epidemic (cont.)

Results of safe prescribing practices policies since 2018

- 31% decrease in Medicaid claims for opioids at doses greater than 90 morphine milligram equivalents (MME) per day
- 20% decrease in prescribers who prescribe
- 17% decrease in pharmacists who dispense greater than 90 MME per day





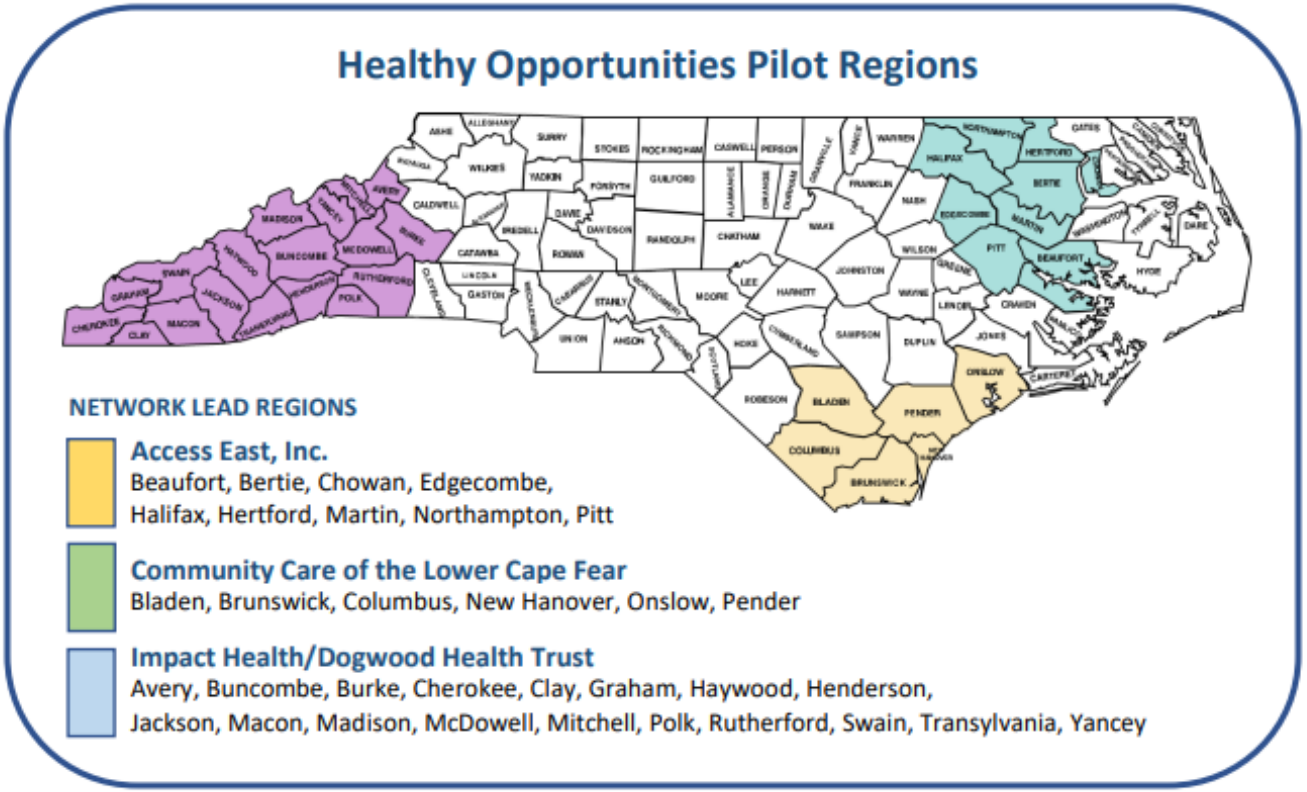
Spotlight: Behavioral Health

Value and Alternative-based Payment Pilot for Individual Placement and Support (IPS)

- Pilot in one LME/MCO
- Provider paid when individuals meets following milestones
  - Receives outreach and engagement services
  - Completes a career profile
  - Linked to Division of Vocational Rehabilitation for sequential funder
  - Completes job development and places in job
  - Other considerations
    - How long an individual remains employed
    - If team supports the individual in educational goals and vocationally advancing

Spotlight: Healthy Opportunities Pilots

- Announced organizations selected to serve 3 regions as Healthy Opportunities Network Leads in 33 primarily rural counties
- Healthy Opportunities Pilots will test evidence-based, non-medical interventions to reduce costs and improve health



Spotlight: Medicaid Managed Care

- **Enrolled 1.6 million beneficiaries** to prepare for Managed Care Standard Plan launch on July 1, 2021
- **Matched 97% of beneficiaries** who did not enroll with their current providers
- **Established independent NC Medicaid Ombudsman**
  - Helps beneficiaries with issues they are unable to resolve by working with their health plan or provider.
  - Provides education, serves as an advocate, and refers and connects beneficiaries to community services for health-related needs and other issues
- **Launched portal dedicated to beneficiaries**
  - Provides beneficiaries with information and links on how to learn, apply and get started with NC Medicaid, including finding a doctor
  - Includes announcements, trending topics and a Knowledge Center where individuals can find answers to questions
- **Increased number and frequency of educational and informative webinars** to listen to concerns and answer questions for stakeholders

Formula Shortage: Medicaid Levers

- Over the past two weeks the team at DHHS has been working on mitigating the formula shortage.
- Medicaid can leverage several tools to improve access to nutrition for babies during this shortage:
  - Non Emergency Transportation(NEMT) in the Value Added Service arena to provide rides to stores(as needed) to obtain formula for Standard Plan members.
  - Improved utilization of medically necessary Lactation Support services for new moms and babies(including telehealth).
  - Reducing barriers to access breast feeding support such as electric breast pumps as a Value Added Service for Standard Plan Members.
  - Improved communication to partners and beneficiaries about options.

Medicaid Managed Care Webinar Series

Designed to support providers, practice managers, quality improvement professionals, and care coordinators. **Hosted by** Shannon Dowler, MD, Chief Medical Officer of the NC Division of Health Benefits and affectionately known as the Fireside Chat in the winter and Back Porch Chat in the Spring.

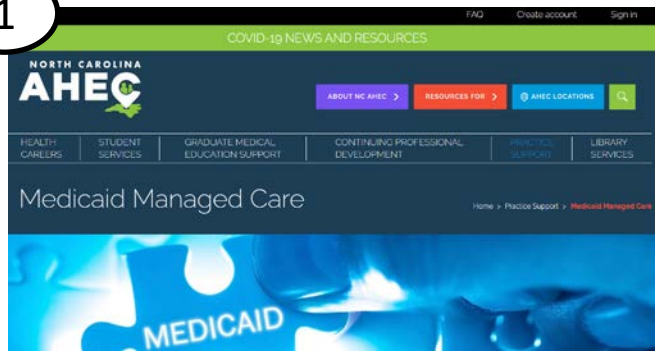
Occurs on the 3rd Thursday of each month and is dedicated to bringing providers late breaking information and guidance on NC Medicaid's transition to Managed Care.

- Tailored Plan 101 Series Part 1: Preparing for Tailored Plan (June)
- Tailored Plan 101 Series Part 2: Integrating Behavioral Health and Physical Health, Tailored Care Management and Advanced Medical Home (July)
- Tailored Plan 101 Series Part 3: Transitions of Care, Network Adequacy & Readiness (August)
- Countdown to Tailored Plan Launch: Who is Who Featuring LME CMO's(September)
- Countdown to Tailored Plan Launch: Health Plan Accountability and Reporting (October)
- Ready Set Launch: What If's of Tailored Plan Launch, Quick Reference Guides, Practice Supports (November)

Care website.

How To Sign up for the Medicaid Managed Care Webinar Series

1



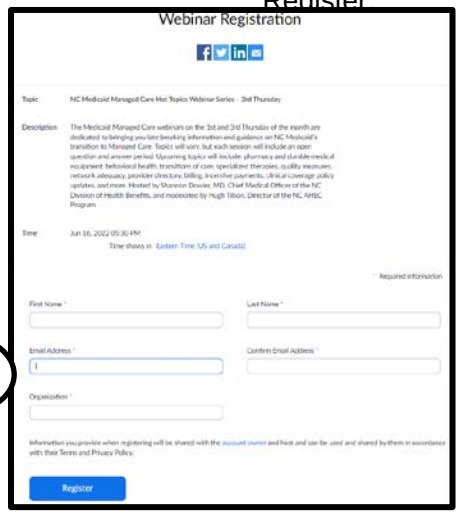
1. Navigate to the [North Carolina AHEC Medicaid Managed Care page]

2



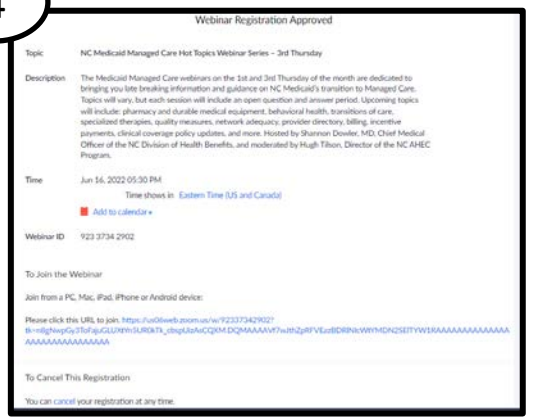
2. Scroll down to the Medicaid Managed Care Webinar Series and select Register

3



3. Fill out all the required information and click Register

4



4. When you see this page, your registration is successful.

Sunsetting Temporary Flexibilities

Tied to State Authority

Sunsets at the earlier of when state terminates or end of state executive order, anticipated July 15, 2022
180 days notice to providers

Tied to Federal Authority

Sunsets at end of federal PHE, anticipated January 2023.
90+ days notice to providers

387 Temporary Flexibilities launched in response to COVID-19

- Does not include temporary COVID surge flexibilities

Permanent Policy modifications were undertaken for dozens of temporary flexibilities as part of our Telehealth Modernization initiative over the past two years

- Additional coverage will be considered in the future
  https://medicaid.ncdhhs.gov/media/11048/download?attachment
- Transparent, public facing mechanism to request clinical coverage
  https://medicaid.ncdhhs.gov/providers/forms/providerstakeholder-request-coverage-form
- EPSDT remains an important tool