Medicaid Section 1115 Monitoring Report

North Carolina - North Carolina Medicaid Reform Demonstration

DY5Q2 – Feb. 1, 2023 through Apr. 30, 2023

Submitted on June 29, 2023

| | |
|---|---|
| **State** | *North Carolina* |
| **Demonstration Name** | *North Carolina Medicaid Reform Demonstration* |
| **Approval Date** | *October 24, 2018* |
| **Approval Period** | *November 1, 2019 through October 31, 2024* |
| **Demonstration Goals and Objectives** | *North Carolina seeks to transform its Medicaid delivery system by meeting the following goals:*<br>*• Measurably improve health outcomes via a new delivery system;*<br>*• Maximize high-value care to ensure sustainability of the Medicaid program; and*<br>*• Reduce Substance Use Disorder (SUD).* |

# Contents

# DEMONSTRATION YEAR 5 QUARTER 2 REPORT

## Executive Summary

This report covers Demonstration Year 5, Quarter 2 (DY5Q2) of the North Carolina Medicaid Reform Demonstration, Feb. 1, 2023 through April 30, 2023.

On Feb. 27, 2023, the Department delayed the launch of Behavioral Health I/DD Tailored Plans (Tailored Plans) from April 1, 2023 to Oct. 1, 2023. The delay will allow Tailored Plans more time to contract with additional providers to ensure a smooth transition for members and their care providers. Tailored Care Management (TCM), which launched on Dec. 1, 2022, is continuing to support these members leading up to the new implementation date. TCM is a care management model that reflects the goal of whole-person care management in NC Medicaid Managed Care.

Medicaid Expansion was signed into law on March 27, 2023, and will enable over 600,000 North Carolinians to access Medicaid coverage. Expansion is contingent on passage of a state budget, which is expected this summer. The Department has issued a Medicaid Expansion Impact document to the Standard Plans to provide an overview of expansion and identify the necessary steps prior to implementation.

On April 1, 2023, all NC Health Choice beneficiaries were moved to NC Medicaid, providing them access to Medicaid services that are not currently covered under NC Health Choice. Additional benefits include enhanced behavioral health services, Early Periodic Screening, Diagnosis and Treatment (EPSDT) services, and non-emergency medical transportation (NEMT). Once children in NC Health Choice are enrolled in Medicaid, they will no longer be subject to cost sharing.

This quarter, the Healthy Opportunities Pilot (HOP) launched Interpersonal Violence (IPV) services: IPV Case Management, Violence Intervention Services, Holistic High Intensity Case Management, and Linkages to Health-Related Legal Supports. The IPV services launch is the result of extensive collaboration with the NC Coalition Against Domestic Violence, their legal counsel, and additional stakeholders to develop programmatic and technical modifications for the safe delivery of IPV services to eligible members.

## Medicaid Managed Care

### Operational Updates

Medicaid Expansion was signed into law on March 27, 2023, and will enable over 600,000 North Carolinians to access Medicaid coverage. Expansion is contingent on passage of a state budget, which is expected this summer. The Department has issued a Medicaid Expansion Impact document to the Standard Plans to provide an overview of expansion and identify the steps needed prior to implementation and downstream impacts. It's expected that 90-95% of the expansion population will be enrolled in a Standard Plan.

On Feb. 27, 2023, the Department delayed the implementation of Behavioral Health I/DD Tailored Plans (Tailored Plans) until Oct. 1, 2023. The delay will allow Tailored Plans more time to contract with additional providers to promote a smooth transition for members and their care providers. Tailored Care Management (TCM), which launched on Dec. 1, 2022, is continuing to support these members leading up to the new implementation date. TCM is a care management model that reflects the goal of whole-person care management in NC Medicaid Managed Care. As a result of the delay, the Department worked with Tailored Plans to adjust implementation milestones. In April, the Department's executive leadership team unanimously approved the proposed adjusted dates.

Tailored Plan Phase 2 Comparative Claims Testing started on Dec. 5, 2022, and ended on April 21, 2023, with five out of six Tailored Plans successfully completing testing. Additionally, the Department has met with all Tailored Plans on specific amendment item language to be included as part of the second amendment to the Tailored Plan contract. The final draft of amendment two is currently under review with the Department and is anticipated for execution during Q3. Changes in the amendment include but are not limited to:

- Revisions to scope of services in areas including claims and encounters; value-based payments; provider payments, grievances, appeals and contracting; tailored care management; overall benefits package, including pharmacy benefits; Advanced Medical Homes (AMHs) as Primary Care Providers (PCPs) for members; and member grievances and appeals
- Revisions to quality metrics
- Revisions to operational reporting requirements
- Revisions to Medicaid policies, including the COVID-19 Public Health Emergency Managed Care Policy
- Revisions to performance metrics, service level agreements and liquidated damages

## Key achievements and to what conditions and efforts successes can be attributed

### Standard Plans (serve majority of members receiving services through NC Medicaid Managed Care)

1. The Department issued a Medicaid Expansion Impact document to the Standard Plans to provide an overview of Expansion and identify the steps needed prior to implementation and the downstream impacts.

2. The Department amended the Standard Plan contract to revise a requirement for Nursing Facility payments, make a correction to the Network Adequacy Standards and update capitation rates and risk sharing terms.

3. The percent of members receiving care management has increased steadily quarter over quarter since July 2022, the start of the contract year. The Department is on track to meet the target of 22% of members receiving care management services by June 2023.

## Tailored Plans (intended to serve individuals with behavioral health needs and intellectual/developmental disabilities)

1. In response to the decision to delay the launch of Tailored Plans to Oct. 1, 2023, the Department's business units proposed adjusted dates for all major Tailored Plan program milestones. The business units also worked with Tailored Plan vendors and related external vendors to revise timelines for all work supporting the program milestones. On April 20, 2023, the Department's executive leadership team unanimously approved the proposed adjusted dates.

2. Phase 2 Comparative Claims Testing started on Dec. 5, 2022, and ended on April 21, 2023, with five out of six Tailored Plans successfully completing testing. During Phase 2, the Department tested Tailored Plans on the following:

    - Claims previously submitted to NCTracks by physical and behavioral health providers who volunteered for Provider Claims Testing
    - Scenarios that were not previously tested in Phase 1, such as crossover claims and Pre-paid Inpatient Health Plan (PIHP) testing
    - 837 replacement files (claims files) from Phase 1 testing that were initially rejected and portal submission testing

    For the Plan that did not pass testing, the Department issued a Notice of Deficiency (NOD) in February for failure to implement a claims routing system and lack of progress against Phase 2 testing targets. As part of the Corrective Action Plan (CAP) tied to the Notice, the Department considered any testing completed by the Plan during Phase 2 to be void, and the Plan is required to complete a new test Phase 2B in accordance with the timeframes detailed in the Notice.

3. Tailored Plans submitted 407 deliverables this quarter. To date, Tailored Plans have submitted a total of 1,236 deliverables. Reviewers from across the Department have gone through iterative reviews of each submitted deliverable and provided feedback to plans to address questions or unmet requirements prior to submitting final versions for approval. During this period the Department and Tailored Plans finalized a total of 483 Inbound Deliverables.

4. The Department closed out all remaining open items that were identified during the onsite readiness reviews in July and August 2022. As a result of the delayed Tailored Plan launch, the Readiness Team is working with business units to identify areas that will require a second round of reviews, with a focus on validating systems and functions that may have been updated since the first round of onsite reviews.

5. Technology Deployment Status Trackers were implemented by the Department to aggregate pre- and post-technology deployment activities and feedback in a more efficient way from each Tailored Plan. The Trackers provide each Tailored Plan a full list of technology integrations that are part of their scope and a weekly inventory based on all approved Change Requests involving technology integrations and deployments. The Trackers also allow the Tailored Plans to provide the Department real-time updates on the Plan's ability to go live with a technology integration. Overall, the Trackers

have reduced the number of meetings required while achieving better oversight and transparency between the Department and Tailored Plans.

### Key challenges, underlying causes of challenges, and how challenges are being addressed

#### Standard Plans

1. During this period, Additional Action NODs were issued for Annual Network Adequacy Deficiencies and for Network File Discrepancies for three of the five Standard Plans. Additional Action NODs are issued when a previous notice has been issued to the Plan on the same issue of non-compliance and the Department has determined that the issue has not successfully been resolved and additional actions are required to ensure compliance.
2. Initial NODs for Member Welcome Packet non-compliance were issued to all five Standard Plans and one Standard Plan received a notice of non-compliance related to claims processing requirements.
3. The Department continues to monitor Standard Plans' Provider Network Files (PNF) for accuracy and completeness, which is necessary to ensure provider directory accuracy and appropriate assignment of NC Medicaid beneficiaries. CAPs were opened for four Standard Plans in Spring 2022 to address PNF errors, which included a requirement that plans submit monthly self-audits to report on their errors and progress. CAPs are required each time a NOD is issued. Although one of the four plans is now in compliance, the other three CAPs have been extended and Additional Action NODs were sent, with liquidated damages assessed for failure to remove providers not active in NC Medicaid from the PNFs. After multiple working sessions, significant improvements were made with Standard Plans who struggled with timely removal of non-active providers from their PNFs. Additionally, the Department has included a new liquidated damage in the most recent contract amendment for plans that do not submit missing PNFs to the Department daily.

#### Tailored Plans

1. Provider network coverage is an area of concern across all Tailored Plans and was a major factor in the decision to delay Tailored Plan launch. Since the Tailored Plans began submitting monthly reporting on provider contracting in early May 2022, the results have not met network adequacy standards across multiple provider categories. This could result in a lack of providers for PCP auto-assignment beginning in July. A key area of concern for the Department is member-PCP disruption and hospital contracting. The Department has worked to mitigate this risk through the following methods:
    - Close tracking of provider contracting data in the Weekly Scorecards
    - Monitoring of monthly AMH/PCP contracting submissions and other specialties from the monthly network submission

- Monitoring bi-weekly contracting data submitted in response to a Notice of Concern issued to the plans
- One-on-one calls with the Tailored Plans to get more frequent updates on both contracting progress and challenges
- Working through the Provider Engagement and Communications team to clarify the process to contract with Tailored Plans and the changes coming with Tailored Plan launch for providers
- Working with the North Carolina Healthcare Association (NCHA) to understand any barriers to contracting with Tailored Plans

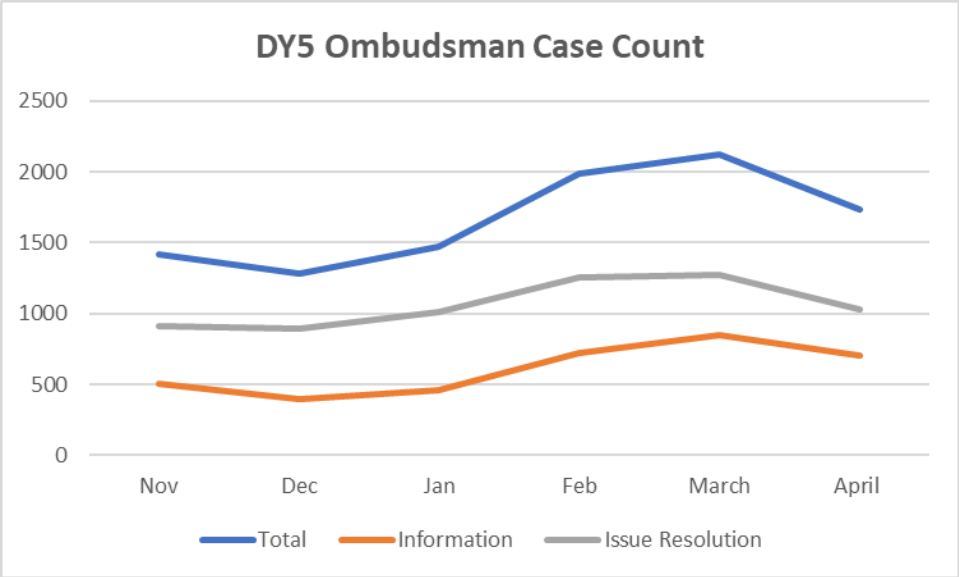
2. To stabilize existing TCM providers and ensure that they receive requested panels and can sustain the TCM program model, the Department has delayed the Round 3 cohort of applications. Select providers that are seeking certification to serve target populations and areas that currently have fewer TCM entities available are continuing with Round 3.1 TCM Certification. These providers will enter the field this fall.

## Issues or complaints identified by beneficiaries

The Department receives beneficiary complaints primarily from the Office of Administration and the NC Medicaid Member Ombudsman. The NC Medicaid Ombudsman is an independent organization that provides education, guidance and referrals to NC Medicaid beneficiaries. Not all Ombudsman calls should be interpreted as complaints, as many involve educating beneficiaries or connecting them to the entity that can provide the service they need. In DY5Q2, the Ombudsman handled 5,841 cases. Case volume increased approximately 40% over last quarter. (See Appendix A for a full list of cases by category type.)

**DY5Q2 NC Medicaid Member Ombudsman Cases**

| Feb 2023 | | March 2023 | | April 2023 | | Total Cases |
|---|---|---|---|---|---|---|
| Information | Issue Resolution | Information | Issue Resolution | Information | Issue Resolution | |
| 726 | 1,257 | 851 | 1,270 | 708 | 1,029 | **5,841** |




The Office of Administration largely handles cases referred from state legislative offices. Previously, all constituent concerns handled by the Office of Administration were reported, including those from non-beneficiaries (such as providers). As of DY5Q1, only concerns from NC Medicaid beneficiaries are included. This change significantly lowers the number of reported concerns compared to previous quarters.

**Office of Administration Member Concerns, Feb – April 2023**

| Issue Category | Number of Issues |
|---|---|
| Clinical health/pharmacy | 3 |

## Lawsuits or legal actions

There are no lawsuits or legal actions to report this quarter.

## Unusual or unanticipated trends

There were no unusual or unanticipated trends to report this quarter.

## Legislative updates

S.L. 2023-7, enacted March 27, 2023, makes various financing changes related to managed care:

- Section 1.4 establishes a healthcare access and stabilization program as a directed payment program that provides acute care hospitals with increased reimbursements funded through hospital assessments.

- Section 1.7.(d) revises the managed care component of the Hospital Assessment Act due to adoption of Medicaid expansion.

### Descriptions of post-award public fora

There was no post-award public forum this quarter.

## Performance Metrics

### Outcomes of care

No metrics to report in this category for the reporting period.

### Quality of care

No metrics to report in this category for the reporting period.

### Access to care

#### Network Time/Distance Standards

At this time the Department is still working to compile the DY5Q2 Standard Plan compliance with network time/distance standards due to issues related to Department staff turnover. This information will be included in next quarter's report.

#### Provider Enrollments by PHP

Provider enrollment by provider type is available by PHP. There are 25 provider type categories. Provider enrollment for two categories, ambulatory health care facilities and behavioral health/social service providers, is provided below for illustration. See Appendix B for the full list.

**Provider Enrollment by PHP – Select Categories**

| Provider Type | AmeriHealth | Healthy Blue | CCH* | United | WellCare |
|---|---|---|---|---|---|
| **Ambulatory Health Care Facilities** | 990 | 1,221 | 928 | 895 | 1,043 |
| **Behavioral Health & Social Service Providers** | 8,062 | 8,207 | 6,909 | 4,675 | 7,082 |

*CCH only operates in regions 3, 4 and 5.

#### Beneficiaries Per AMH Tier

The Department developed the AMH model as the primary vehicle for care management in Standard Plans. AMH Tier 3s are the Department's highest level of primary care, focused on care management

and quality. The tables below show the count and proportion of beneficiaries in each AMH tier by Standard Plan.

**Member Count by Standard Plan and AMH Tier**

| | AmeriHealth | CCH* | Healthy Blue | United | WellCare | Total |
|---|---|---|---|---|---|---|
| No PCP Tier | 11,010 | 2,078 | 36,303 | 28,722 | 11,744 | 89,857 |
| Tier 1 | 3,643 | 3,734 | 9,108 | 5,111 | 2,786 | 24,382 |
| Tier 2 | 46,417 | 47,991 | 83,064 | 74,430 | 59,539 | 311,441 |
| Tier 3 | 276,305 | 186,645 | 382,257 | 282,102 | 333,912 | 1,461,221 |

*CCH only operates in regions 3, 4 and 5.

**Member Proportion by Standard Plan and AMH Tier**

| | AmeriHealth | CCH* | Healthy Blue | United | WellCare |
|---|---|---|---|---|---|
| No PCP Tier | 3.26% | 0.86% | 7.11% | 7.36% | 2.88% |
| Tier 1 | 1.08% | 1.55% | 1.78% | 1.31% | 0.68% |
| Tier 2 | 13.76% | 19.96% | 16.26% | 19.07% | 14.59% |
| Tier 3 | 81.90% | 77.62% | 74.84% | 72.27% | 81.84% |

*CCH only operates in regions 3, 4 and 5.

## AMH Provider Enrollment

**Proportion of Providers Contracted by State-Designated AMH Tier by Standard Plan***

| | AmeriHealth | Healthy Blue | CCH** | United | WellCare |
|---|---|---|---|---|---|
| Tier 1 | 23.27% | 58.82% | 59.59% | 48.71% | 40.01% |
| Tier 2 | 64.46% | 89.90% | 84.98% | 67.77% | 61.49% |
| Tier 3 | 70.48% | 83.69% | 89.20% | 78.81% | 91.26% |

*Providers that are not contracted at the State-designated AMH tier are not included in these counts.

**CCH is only required to contract with providers in regions 3, 4 and 5. CCH's denominator only includes AMHs located in these three regions.

## Care Management Penetration

These data represent members enrolled in Standard Plans receiving care management through a Standard Plan, AMH, Care Management for At-Risk Children (CMARC) program or Care Management for High-Risk Pregnancies (CMHRP) program since the start of the contract year (July 2022). These data are provided with a one-month lag (DY5Q2 ends April 30; however, data are available only through March.)

CMHRP is the Department's primary vehicle to deliver care management to pregnant women who may be at risk for adverse birth outcomes. CMARC offers a set of care management services for at-risk children ages 0 to 5. Both services are performed by local health departments (LHDs) as delegates of the Standard Plans. Care management provided through a Standard Plan or AMH is reported by Standard Plans on the BCM051 operational report. Care management provided for CMARC/CMHRP by LHDs is reported by Community Care of North Carolina (CCNC), the Department vendor that oversees CMARC and CMHRP programs.

### Care Management Penetration by Entity

| ***Period:*** | *July 1, 2022 - March 31, 2023* | | | |
|---|---|---|---|---|
| | *CM penetration by entity:* | | | |
| | **SP** | **AMH3** | **LHD** | **Overall** |
| Members with CM | 61,951 | 276,374 | 56,895 | *352,880* |
| *Members reported with CM entity* | *1,324,182* | *1,069,806* | *326,756* | *1,954,528* |
| **Percent Penetration** | **4.7%** | **25.8%** | **17.4%** | **18.1%** |

***Source**: All data in table are derived from BCM051 Care Management Interaction report prepared by SPs and submitted to DHB. Some members may be receiving CM from multiple entities and may be counted in multiple categories.*

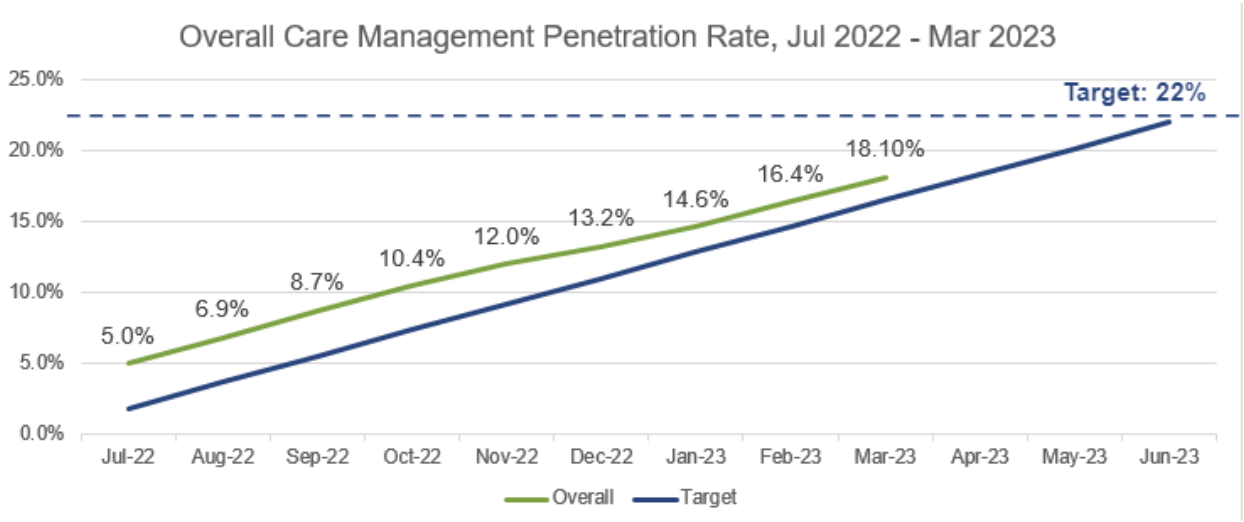
### Percent of Total Care Management Provided by Entity

| ***Period:*** | *July 1, 2022 -Mar. 31, 2022* | |
|---|---|---|
| ***Total Members Reported:*** | *1,954,528* | |
| **Overall CM Penetration Rate** | **18.1%** | **352,880 Members** |
| *Percent of care management provided by each entity:* | | |
| **SP** | **AMH3** | **LHD** |
| 17.6% | 78.3% | 16.1% |
| 61,951 | 276,374 | 56,895 |

***Source**: Members in table are derived from BCM051 Care Management Interaction report prepared by SPs and submitted to DHB.*

## Overall Care Management Penetration

The percent of members receiving care management has increased steadily quarter over quarter since the start of the contract year in July 2022. The Department is on track to meet the target of 22% of members receiving care management services by June 2023.




### Emergency Department Visits per 1,000 Members and Inpatient Admissions per 1,000 Members

Emergency department visits per 1,000 members and inpatient admissions per 1,000 members are measured for the adult NC Medicaid population (age 21 and older) and broken out by Standard Plan and NC Medicaid Direct. Claims denied because they were erroneously billed to NC Medicaid Direct instead of a Standard Plan were excluded from measurement calculations to avoid duplication. Medicaid beneficiaries not eligible for hospital coverage (e.g., family planning participants) were excluded from NC Medicaid Direct calculations.

Due to the lag in claims and encounter reporting, the rates below are reported with a one-month lag. It should be noted that higher rates are expected for NC Medicaid Direct, as members with substantial behavioral health issues expected to be enrolled in Tailored Plans currently remain in NC Medicaid Direct.

**Emergency Department Visits per 1,000 Members, January - March 2023**

| AmeriHealth | CCH | Healthy Blue | Medicaid Direct | United | WellCare |
|---|---|---|---|---|---|
| 61.2 | 62.6 | 59.5 | 73.9 | 62.4 | 60.7 |

**Inpatient Admissions per 1,000 Members, January – March 2023**

| AmeriHealth | CCH | Healthy Blue | Medicaid Direct | United | WellCare |
|---|---|---|---|---|---|
| 13.8 | 13.4 | 12.9 | 23.8 | 13.3 | 14.1 |

## Results of beneficiary satisfaction surveys

There are no new beneficiary satisfaction survey results to report this quarter.

## Budget Neutrality and Financial Reporting Requirements

The Department will provide CMS with updated budget neutrality information in the budget neutrality workbook due June 30, 2023.

## Evaluation Activities and Interim Findings

The Sheps Center for Health Services Research (Sheps) has continued evaluation activities in DY5Q2. The evaluation uses a mixed-methods approach, combining analysis of administrative data with qualitative data to obtain detailed insights into the transformation that are not easily captured through claims and surveys; for example, how providers are preparing for Medicaid Expansion and what can be done to improve their satisfaction with NC Medicaid.

One of the major activities this quarter was finalizing the Interim Evaluation Report for the SUD component of the 1115 waiver. The Sheps Center submitted a draft of the report to the Department and made changes based on feedback as appropriate. (The Department submitted the final report to CMS in June.)

### Transition to Capitated Encounter Data from PHPs

Sheps Center data scientists and analysts continued working with encounter data from members in Standard Plans, encounter data from Local Management Entities/Managed Care Organizations (LME-MCOs) serving as the Tailored Plans, and fee-for-service claims data. Sheps has been providing feedback on the quality and completeness of these data to the Department while continuing to update code on metrics to include services, medications, and diagnoses received through claims or encounter data in response to new data challenges or metric versions.

In addition, although the Department recently announced that the implementation of Tailored Plans would be delayed, they also announced that the LME-MCOs would be changing the system through

which their claims are submitted to align with Standard Plan data submission. Sheps is preparing to include this new data format in their analyses.

### Quantitative Update

The quantitative team continues to receive new data from the NC Division of Public Health, including updates to birth and death certificate and immunization data, in addition to new files on care management data, value-based payments and NCCARES360, the database that tracks HOP services and referrals.

All data sources are ingested into the University of North Carolina's secure data warehouse and are beginning to be linked to NC Medicaid member information to generate new metrics that will be tracked during the evaluation period. In addition, the team continues to update metrics from established custodians consistent with the NC Medicaid Quality Strategy, Adult and Child Core measures, and other metrics that will address the study hypotheses. The evaluation will use Blue Cross Blue Shield North Carolina data as a control group for a limited number of metrics in part because of sparse data. Sheps is considering Arizona's Medicaid data as a potential comparison site. While Arizona and North Carolina are geographically distant, both states have considerably large non-White populations, and Arizona was the first state in the nation to implement managed care in Medicaid. As a mature managed care program, it may be a suitable comparison as a reflection of where NC's system is going. Sheps is comparing metrics between the two states to ensure that the trends in the metrics are moving in the same direction during the pre-implementation period, often referred to as the *parallel trends* assumption.

The evaluation team has continued refining the new dashboard on behavioral health metrics while updating the focused substance use disorder dashboard monthly. Other dashboards specific to Foster Care Plan members, individuals with intellectual and developmental disabilities, and physical/overall health metrics are planned.

### Qualitative Update

The qualitative team finished the patient engagement manuscript and submitted it to the Department for review on April 10, 2023. The abstract submitted to AcademyHealth's Annual Research Meeting was accepted for a poster session. A graduate research assistant on the qualitative team will be presenting the poster in June. Beneficiary focus groups and individual interviews were conducted in both English and Spanish throughout this reporting period. The following have been completed: six English language individual interviews (one adult beneficiary and five caregivers), one Spanish language caregiver focus group (four participants), and one Spanish language adult beneficiary individual interview. Ten additional English language individual interviews are scheduled for May. Concurrently, Sheps began recruiting and conducting the third round of provider interviews. As of April 30, they have conducted 25 interviews representing 24 organizations, and 11 additional interviews are scheduled for May. They will continue recruitment efforts through the end of May for both beneficiaries and providers.

# Healthy Opportunities Pilot

## Operational Updates

### Introduction

This quarter, Healthy Opportunities Pilot (HOP) launched the remaining Interpersonal Violence (IPV) services:

- IPV Case Management
- Violence Intervention Services
- Holistic High Intensity Case Management
- Linkages to Health-Related Legal Supports (for IPV)

The Department also completed the effort to re-baseline the implementation schedule for the Pilot launch with the Tailored Plans, operationalized programmatic modifications to simplify the provision of housing services, and instituted strategies and technical enhancements which successfully increased Pilot enrollment.

### Key achievements and to what conditions and efforts successes can be attributed

The launch of IPV services on April 5, 2023 was the culmination of a two-year process through which the Department worked with the NC Coalition Against Domestic Violence, their legal counsel, and additional stakeholder groups to identify and develop necessary programmatic and technical modifications for the safe delivery of IPV services to eligible members. These modifications included:

- Requiring stakeholder trainings on data privacy and confidentiality, how to choose appropriate IPV services for a member, and member consent
- Modifications to the technology platform to require that clear and detailed contact information is entered (e.g., a member can only be contacted by phone call or text between the hours of 3:00 p.m. – 5:00 p.m. on Mondays and Wednesdays).

Due to the delay of Tailored Plan launch, the Department completed an effort to re-baseline the implementation schedule for launching the Pilot in Tailored Plans. This effort included scoping in work that was previously slated for deployment after the original April 1, 2023, launch date, including:

- Technical functionality enabling the Tailored Plans to ingest Pilot enrollment roster and service authorization files from the NCCARE360 platform, which will improve the plans' utilization management processes
- Functionality to send service denial notifications to members

Additionally, the Department successfully implemented several strategies for increasing Pilot enrollment across the three Pilot regions including:

- Launching a communication strategy utilizing bulletins, webinars, flyers and social media to increase awareness of the Pilot in both member and provider communities.
- Launching the Outreach and Enrollment project, which temporarily expands Human Service Organizations' (HSOs) roles to include direct community outreach. HSOs applied through their Network Leads to receive additional funding to be able to conduct community outreach activities.

- Releasing a revised consent form and simplified Pilot Enrollment and Authorization (PESA) functionality within the NCCARE360 system, significantly reducing the administrative burden for Care Managers.
- Implementing Expedited Enrollment with one HSO and one Standard Plan to deliver fruit and vegetable prescriptions to members. This direct-to-consumer model utilizes a member texting campaign and beneficiary facing portal to quickly enroll members for services. The implementation of this model resulted in over 2,500 new enrollments within a 2-month time span.
- Housing service modifications to the fee schedule were also implemented this quarter. This reduced the documentation burden for Pilot services such as Payment of First Month's Rent and Security Deposit, which previously required HSOs to ensure a 24-month rent freeze for service delivery.

As of April 30, 2023, 4,564 members had received at least one Pilot service.

### Key challenges, underlying causes of challenges, and how challenges are being addressed

The Network Leads began reporting issues with the Pilot invoices and payment process caused by technical issues within the NCCARE360 technology platform and programmatic misunderstandings causing user errors. These issues have increased administrative work for the Network Leads, Standard Plans, and HSOs. The Department is providing support to Unite Us (the developer for the NCCARE360 technology platform), PHPs, Network Leads, and HSOs to identify resolutions.

### Unusual or unanticipated trends

Invoicing and payment challenges associated with necessary updates to the HOP technology platform began to be reported in this quarter. These issues were unexpected, but the Department team continues to work closely with the technology vendor, PHPs, Network Leads, and HSOs to identify the key issues and potential resolutions to ensure provider payments.

## Performance Metrics

## Enrollee Service Costs

The enrollee service cost analysis represents NCCARE360 data received by the Sheps Center on April 10, 2023. This data contains information on services delivered between March 15, 2022 through February 28, 2023 which had an invoices status of "paid". There were 24,338 services that had been both provided and paid for, totaling an amount invoiced of $4,010,065.40. Costs are calculated using "amount invoiced" within NCCARE360 as it is the most current and reliable data source.

Assessments found that members fell into disparate eligibility categories when completing multiple screening forms, even when the screenings were completed on the same day. Due to this, eligibility category is determined by age at time of enrollment for age-based categories. If a beneficiary indicated they were pregnant on their screening form at any point in their enrollment, they were also placed in the pregnant individuals eligibility category. Individuals that did not fall into the pregnant individuals category and for whom an age could not be calculated (because they had no date of birth provided) were coded as having a missing eligibility category.

## Ten largest invoiced amounts per individual beneficiary

| Order | Total Amount Invoiced |
|---|---|
| 1 | $ 16,351.42 |
| 2 | $ 15,750.00 |
| 3 | $ 15,748.07 |
| 4 | $ 15,041.64 |
| 5 | $ 14,710.68 |
| 6 | $ 13,158.91 |
| 7 | $ 10,825.20 |
| 8 | $ 10,750.00 |
| 9 | $ 9,828.29 |
| 10 | $ 9,700.05 |

## Percentile amount paid and amount invoiced per enrollee

| Percentiles | Amount Invoiced |
|---|---|
| *90%* | $ 3,356.64 |
| *75%* | $ 2,042.94 |
| ***50%*** | **$ 1,022.52** |
| *25%* | $ 428.58 |
| *10%* | $ 211.31 |

## Percent of amount paid by PHP and service category*

| PHP | Food Services | Housing Services | Transportation Services | Cross – Domain |
|---|---|---|---|---|
| *AmeriHealth Caritas North Carolina* | 11.37% | 3.53% | 0.20% | - |
| *Blue Cross and Blue Shield of North Carolina* | 16.52% | 7.67% | 0.60% | 0.04% |
| *Carolina Complete Health*** | 3.21% | 1.58% | 0.03% | - |
| *UnitedHealthcare of North Carolina* | 11.10% | 4.32% | 0.39% | 0.46% |
| *WellCare of North Carolina* | 30.73% | 7.55% | 0.64% | 0.07% |
| **Total** | **72.93%** | **24.65%** | **1.86%** | **0.57%** |

**As of April 10, 2023, no services for Interpersonal Violence/Toxic Stress had been provided*

***CCH only operates in regions 3, 4 and 5.*

## Percent of amount paid by PHP by Enrollment Category

| PHP | Children 0 - 20 | Adults 21+ | Pregnant Women* | Missing |
|---|---|---|---|---|
| *AmeriHealth Caritas North Carolina* | 5.27% | 8.76% | 0.20% | 1.07% |
| *Blue Cross and Blue Shield of North Carolina* | 7.92% | 14.81% | 0.22% | 2.05% |
| *Carolina Complete Health*** | 1.47% | 3.21% | 0.20% | 0.09% |
| *UnitedHealthcare of North Carolina* | 4.02% | 10.67% | 0.17% | 1.58% |
| *WellCare of North Carolina* | 13.29% | 23.33% | 0.75% | 2.36% |
| **Total** | **31.97%** | **60.78%** | **1.54%** | **7.15%** |

**Pregnant beneficiaries will also appear in either children 0 – 20 or adults 21+*

**CCH only operates in regions 3, 4 and 5.

### Incentive Payments to PHPs, NLs, and Pilot providers

There were no incentive payments released this quarter.

### Pilot Capacity Building Funding

There were no capacity building payments released this quarter.

### Healthy Opportunities Pilots Evaluation Activities and Interim Findings

In this quarter the Sheps Center provided ongoing technical assistance and engagement with Department personnel to facilitate the HOP evaluation. Activities included participating in weekly and monthly standing meetings and assisting with development of value-based purchasing proposals.

The Sheps team also completed the first rapid cycle assessment this quarter. This entailed working with the data team at Sheps to receive and analyze quantitative secondary data regarding Pilot activities,

conducting theme analyses, preparing the report and presenting key findings to NC Medicaid staff. The assessment was submitted to CMS on March 24, 2023.

Sheps also prepared for primary data collection for question 4 (patient-reported health outcomes) in the evaluation design. Evaluators obtained IRB approval, created study infrastructure and finalized the design of the data collection system for a longitudinal survey expected to launch May 2023.

Finally, Sheps began preparing dashboards to monitor implementation of the Pilot. The team developed definitions of data elements that will be visualized in dashboards, worked with the Department to understand the prioritization of the data elements, and began designing the visualization dataset.

## Residential and Inpatient Treatment for Individuals with a Substance Use Disorder

The Department will provide detailed information in the Substance Use Disorder quarterly monitoring report due to CMS July 29, 2023.