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North Carolina Chapter

North Carolina Pediatric Society

June 6, 2018

The Honorable Mandy Cohen, MD
Secretary, N.C. Department of Health and Human Services
2001 Mail Service Center
Raleigh, NC 27699-2001

RE: Prepaid Health Plans in NC Medicaid Managed Care

Dear Secretary Cohen:

Thank you once again for the opportunity to provide comments on the Department's implementation proposals relevant to Medicaid Managed Care, including *Prepaid Health Plans in NC Managed Care.*

As two "meta-comments:"

1) **We encourage the same consideration of protecting practices as of protecting Plans**. We understand and appreciate the need to provide some guardrails to help keep Plans on-track and strong. Practices need similar consideration, such as rate floors at Medicare parity (Medicare or Medicaid, whichever is higher), protections if a Plan leaves the state or region, balanced assignment of patients (including in terms of age and conditions as well as patient mix), a provider ombudsman to help troubleshoot problems, etc.

2) **We remain concerned about payment levels**: We applaud your MLR approach that encourages investment in health levers and encourages extra investment in children. We remain concerned that a MLR will necessarily mean less funding is available to support direct health services on a local level.

Other comments, in order of the document:
Network adequacy (page 4): The Department may want to consider defining good faith negotiating. From a provider perspective, important elements would include the following: offered rates must be at the minimum established by NCDHHS; no poison pills (such as limits on admitting privileges if also with a "rival" hospital; restrictions in ability to provide services; requirement to change EMR, etc.); or requirements to undergo administrative burden beyond that required by NCDHHS. We also urge that, to the extent possible, the Department allows a Plan to cover all service areas covered by the practice. (For example, if a practice has an office in two counties, a regional Plan could cover all children in the practice, even if some of the children lived outside the catchment area.)

Ownership and Control of Interests of PHPs (page 6): We urge strong language on core competencies. In particular, Plans should demonstrate not only customer service and support of beneficiaries generally, but also with particular respect to EPSDT. Plans should handle administrative functions in a highly competent manner***,*** including stellar ***and local*** care management, timely and accurate payments, prompt resolutions of problems and strong provider satisfaction. They should also demonstrate that they well-manage child beneficiary lives, specifically. We continue to urge that DHHS serve as a central claims clearinghouse and that PHPs demonstrate ability to interface with DHHS. Finally, the care management core competency must be at the local level, not merely phone management, in order to be successful. We applaud that prior experience does not exempt Plans from readiness reviews.

Auto-assign (page 9): We urge the existing medical home and provider-beneficiary relationship be the guiding star in assigning patients, even past the initial roll-out. We applaud consideration of the provider of other family members. Again, practices should merit similar protections to Plans, including with balanced assignment of patients.

PHP/Provider Contracting (page 16): Please see our comments relating to Network Adequacy. We appreciate the DHHS-approved provider templates and look forward to providing input into those documents. We remain concerned about what will constitute good faith negotiating. We also urge that quality standards be reasonable and take real-life circumstances into account. (For example, if a practice does not meet a given ratio for a few weeks after one provider leaves and another is scheduled to come on-board.) We also appreciate contract template inclusion of measures such as prompt payment and provider appeals. We would urge the addition of accurate payments and PCP access to records, including those on which provider payments are based.

Thank you again for your consideration of our concerns.

Sincerely,

Scott St. Clair, MD, FAAP, Chapter President
North Carolina Pediatric Society (NCPeds)

Cc: Dave Richard, Dept. Sec for Medical Assistance, NCDHHS
Jay Ludlam, Asst. Sec. for Medicaid Transformation, NCDHHS
Matt Gross, Asst. Sec for Government Affairs, NCDHHS
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