

# North Carolina Chapter

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## North Carolina Pediatric Society

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## North Carolina Pediatric Society

February 23, 2023

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Division of Health Benefits

NC Department of Health and Human Services

Raleigh NC

To Whom it May Concern:

Thank you for the opportunity to respond on the proposed plan on Total Cost of Care (TCOC). Our suggested considerations focus on assuring that risk stratification and shared savings be designed to reflect the unique needs and challenges of the pediatric population as well as to carefully consider the timing of this proposal.

**Band stratification of 0-18 not appropriate:** We recommend that NCDHHS examine current claims data to determine the correct breakpoints. One practice did the analysis for their patients and found that costs for children 0-2 were substantially different from older children and youth. The rate cell analysis done prior to go-live by Mercer for NCDHHS separated infant and other children. The Health Partners papers (2013, 2017) note they exclude infants in calculations. NCPeds has been urging more child specific rate adjustments since 2017.

**Risk adjustment:** This model relies on the HealthPartners algorithm. Looking at *Total Cost of Care and Total Resource Use User Guide* (2013) their population excludes infants under age 1 and includes behavioral health, which is substantially different from what is being proposed here. Their 2017 updated paper says in the first sentence that they "could" be used for Medicaid populations "with modifications." What modifications are being proposed to help make it appropriate for the child Medicaid population in NC? We would recommend using a pediatric specific risk adjustment tool, such the Pediatric Medical Complexity algorithm (which is based off of CDPS and already used in other NCDHHS work). We would further urge consideration of the fact that children with Medicaid, unlike adults with Medicare, may move in and out of Medicaid.

**Shared savings:** Happily, most children covered in Standard Plans are healthy. Unless higher need children and/or adults are included, there is unlikely to be substantial savings from better managing conditions. We recommend looking at the Bailit report for child-specific approaches to shared saving and payment.

**Impact of other primary insurance:** Currently, many children covered by Medicaid have other primary insurance. Will the cost covered by commercial insurance be included for the 100% assessment of cost? If yes, how will that be captured? If no, are you concerned that forces outside the control of NCDHHS, PHPs, and practices (whether or not a family has other insurance during a particular visit) will vary over time skew results? Importantly, will services (such as vaccine administration) paid by other insurance show up in encounter data or will such claims not “count” towards care of the patient? This is an important consideration for value, especially for subsets or other lower volume populations.

**Panels:** Panel accuracy will be key. Implementation should be timed to activities designed to improve panel accuracy and attribution.

**Equity:** Besides geographic and race risk adjustment, there is nothing in this proposal to promote or measure more equitable treatment of patients.

**Data needs to be paired with tools:** If practices have data but not the tools to address cost, the information is not helpful.

**Better understanding of why the need to move to TCOC:** We see in the slide deck that TCOC is intended to assist providers in making informed decisions when entering into VBP arrangements with PHPs and to understand patterns of care. The EMR can already provide information on patterns of care. Given that children, unlike Medicare beneficiaries, move in and out of care, helping practices understand what underlying problem is being solved will be important for buy-in.

**Time roll-out to maximize success:** Finally, we urge you to consider timing. Currently, many major changes are slated for April 1, 2023, including unwinding /disenrolling beneficiaries from Medicaid, roll-out of Tailored Plans and the much-anticipated merger of CHIP and Medicaid. At the same time, practices are experiencing on-going staffing shortages and still adjusting to Medicaid Managed care, facing a child mental health crisis, and grappling with multiple shortages and other concerns. Perhaps a pause could be considered to get a few pieces more firmly in place before adding additional layers of complexity.

Thank you again for the opportunity to provide input. If you have any questions, please reach out to our Executive Director, Elizabeth Hudgins ([elizabeth@ncped.org](mailto:elizabeth@ncped.org); 919-839-1156 x104)

Thank you.

Sincerely,



Kenya McNeal-Trice, MD, FAAP  
President, NC Pediatric Society

## **Other resources:**

### **Other primary insurance not unusual:**

<https://medicaid.ncdhhs.gov/reports/dashboards#Provider> (November 2022 shows issues around primary insurance are a top 3 denial reason for 3 of the 5 PHPS)

**HealthPartners Total Cost of Care and Total Resource Use User Guide** that says they omit infants and include behavioral health (2013)

[https://www.healthpartners.com/ucm/groups/public/@hp/@public/documents/documents/ev\\_057424.pdf](https://www.healthpartners.com/ucm/groups/public/@hp/@public/documents/documents/ev_057424.pdf)

2019 Consideration for TCOC paper also omits infants:

<https://www.healthpartners.com/content/dam/brand-identity/pdfs/plan/primary-care-total-cost-care.pdf>

Health Partners website: <https://www.healthpartners.com/about/improving-healthcare/tcoc/>

**Bailit report:** [https://uhfnyc.org/media/filer\\_public/02/4f/024fdd3f-4fd8-426b-86b8-128ef485f465/bailit-vbp-final\\_20160713.pdf](https://uhfnyc.org/media/filer_public/02/4f/024fdd3f-4fd8-426b-86b8-128ef485f465/bailit-vbp-final_20160713.pdf)

**PMCA:** <http://www.seattlechildrens.org/research/child-healthbehavior-and-development/mangione-smith-lab/measurement-tools/>  
<http://hosppeds.aappublications.org/content/7/7/373>

### **NCDHHS Medicaid Transformation Seven Year Forecast Legislative Report, April 2019:**

<https://medicaid.ncdhhs.gov/media/5958/download>

### **Previous comments from the NC Pediatric Society**

December 2022 VBP comments:

[https://cdn.ymaws.com/www.ncped.org/resource/resmgr/med\\_reform/2022\\_12\\_vbp\\_comments\\_ncped.pdf](https://cdn.ymaws.com/www.ncped.org/resource/resmgr/med_reform/2022_12_vbp_comments_ncped.pdf)

February 2020 VBP comments:

[https://cdn.ymaws.com/www.ncped.org/resource/resmgr/advocacy/medicaid\\_reform/vbp\\_and\\_aco\\_comments\\_ncped.pdf](https://cdn.ymaws.com/www.ncped.org/resource/resmgr/advocacy/medicaid_reform/vbp_and_aco_comments_ncped.pdf)

May 2019 Managed Care Quality Measurement Technical specification comments:

[https://cdn.ymaws.com/www.ncped.org/resource/resmgr/advocacy/medicaid\\_reform/quality\\_tech\\_spec\\_ncped.com.pdf](https://cdn.ymaws.com/www.ncped.org/resource/resmgr/advocacy/medicaid_reform/quality_tech_spec_ncped.com.pdf)

December 2017 Actuarial Comments:

[https://cdn.ymaws.com/www.ncped.org/resource/resmgr/Advocacy/Medicaid\\_Reform/NCPeds\\_Comments\\_on\\_Acturials.pdf](https://cdn.ymaws.com/www.ncped.org/resource/resmgr/Advocacy/Medicaid_Reform/NCPeds_Comments_on_Acturials.pdf)

All previous Medicaid comments from NCPeds: <https://www.ncped.org/page/MedicaidReform>