



July 15, 2016

Andy Slavitt
Acting Administrator
Centers for Medicare and Medicaid Services
7500 Security Boulevard
Baltimore, MD 21244

RE: Comments on the Proposed NC 1115 Medicaid Waiver Application

Dear Mr. Slavitt:

On behalf of the NC Academy of Family Physicians (NCAFP), it gives me great pleasure to submit comments in response to the proposed 1115 Waiver Application submitted to the Centers for Medicare and Medicaid Services by the NC Department of Health and Human Services (NCDHHS).

The NCAFP is the largest medical specialty society in North Carolina, representing approximately 3,800 family physicians, residents in training and medical students throughout the state. While we have been integrally involved with NCDHHS throughout this process, we remain concerned about the ultimate impact this waiver will have on both Medicaid recipients and those providing the care to these recipients. While we appreciate the modifications that our state has made as a result of feedback, we remain concerned about the damage that this proposal could do to the strong primary care medical home infrastructure we have worked so long and hard to develop in North Carolina.

We have been fortunate in our state that -- to date -- 90 percent of the primary care physicians in North Carolina care for patients covered by Medicaid. But that has not happened by accident. The access to care we have been able to provide in North Carolina has been dependent on adequate rates and practice supports for those physicians accepting Medicaid. Unfortunately, this is not the case in many other states where managed care has been implemented. We want to do everything we can to ensure that strong access for Medicaid patients remains in place, but that will require a greater investment in primary care than ever before. Yet, over the last few years, the payment for primary care physicians seeing Medicaid patients in North Carolina has eroded drastically.

Investment in Primary Care

We appreciate that the waiver acknowledges the key importance of the medical home model and seeks to build on this model. However, we are very concerned about the lack of details in the waiver around this area. Our strong primary care medical home infrastructure must be preserved. Our state already has a well-respected system of care for Medicaid patients through Community Care of North Carolina. The practice supports, payments and infrastructure provided by CCNC must continue uninterrupted through this reform process and beyond. If this strong foundation of primary care does not continue, we believe this waiver will ultimately lead to failures for our patients, difficulties for the physicians providing care, and increased costs for both our state and federal government. In fact, we would call for greater investment in primary care and the services provided by CCNC that have led to past successes in our state. This could include enhanced payments for care coordination such as those provided through Medicare's Comprehensive Primary Care Plus program, a mandatory rate floor for primary care at Medicare rates such as what was provided during the first few years of the Affordable Care Act, and other primary care supports.

Items of Specific Concern to Family Physicians in North Carolina

Our members throughout the state have expressed significant concerns about several key areas of the waiver. They believe if these are not addressed or a different direction taken altogether, then the quality of care for Medicaid recipients will go down and the number of family physicians willing to care for Medicaid recipients will also decrease, leading to access issues.

- First and foremost, as mentioned above, we believe more information is needed about how the state plans to build on the programs that have yielded positive success in terms of lower costs and improved quality, particularly around the efforts of Community Care of North Carolina (CCNC). We believe the programs and services provided by CCNC have a positive ongoing role and must be continued.
- Our members are extremely concerned about the administrative burdens the waiver could place on primary care practices, including going from one set of billing practices, credentialing and processes to five or more in any particular region of the state. Some of the administrative concerns, include:
 - Credentialing Processes
 - Uniformity of quality and performance metrics
 - Uniformity of prior authorization requirements
 - A consistent structure to value-based contracts
 - A uniform billing process – the process to bill for each pre-paid health plan cannot be different, without placing a significant burden on primary care practices.
- We must preserve and enhance the ease for physician participation in Medicaid. Given that there will now be multiple plans and multiple sets of rules in place, we believe even more needs to be done to reduce administrative complexity.
- We are concerned that the state Department of Insurance will only be responsible for solvency requirements – not business practices, etc., of the Pre-Paid Health Plans. Some of the areas that must be further addressed that are covered by the Department of Insurance for other health plans include:
 - Prompt payment rules.
 - The need for an ombudsman to assist practices with disputes or disagreements with the plans.
 - A need for appropriate and timely provider appeals processes.
- We also are concerned about network adequacy standards. These standards will be extremely important to preserve access to care. More detail is needed on how these standards will be developed and monitored on an ongoing basis.
- The waiver should ensure we build on what's working now, and ensure that the key investments we have made to lower costs and improve quality are not summarily discarded. For example,
 - The strong Informatics structure we have in place needs to be preserved and built upon.
 - Practices will continue to need strong on-the-ground care management like they have today. It cannot be replaced by telephonic or distant care management for the Medical population. Nor can a practice effectively deal with a different care manager for every different Medicaid plan. And care management has to be a partner to the physicians and others in the primary care offices, not a detriment to care. We have been fortunate that the current system provides a strong care management partnership, and that should not be dismantled.
 - The care management infrastructure, informatics, and practice supports need to be centralized, not fragmented by each pre-paid health plan. Interfacing with multiple care managers from multiple PHPs will place an administrative burden on practices. We need to build on our existing infrastructure rather than re-inventing it multiple times.
 - We also should not reinvent practice supports and quality improvement. As we are working to improve quality, we do not need multiple quality improvement coaches in every practice.

- To summarize, we would encourage the state to have one set of practice supports for medical homes, including quality improvement, quality measurement, informatics and care management by using our current award-winning primary care infrastructure.
- We remain concerned about adequately integrating behavioral health services into primary care. There are already barriers to providing Medicaid recipients these services in the primary care setting, yet we know a large percentage of adult Medicaid recipients have comorbid behavioral health and/or substance abuse issues.
- We are also concerned about the overall ease of enrollment for Medicaid recipients. There is already lag time between when a person may become eligible for Medicaid (think of a newborn child) and when the person actually can receive Medicaid benefits. This could lead to an unnecessary and costly lag in care or payment to those providing the care. Adding another layer of bureaucracy by requiring the recipient enroll in a specific plan is concerning. We recommend consideration for the ability for the patient to enroll in a plan (based on their medical home) at the same time they are seeking eligibility for Medicaid.
- Finally, we believe that as Medicaid transitions in North Carolina, our state must reexamine their decision not to expand Medicaid. While we have been very successful in signing many individuals up for insurance coverage through the federal exchange, another 300,000 plus uninsured individuals could have coverage if our state would ultimately expand Medicaid. We believe that this step should definitely be taken by our state leaders.

As stated above, we cannot stress enough the key roles and supports that are currently provided to primary care physicians by CCNC. These supports must be maintained for successful reform. The concrete supports currently provided in terms of care management, data analytics, quality improvement initiatives and the PMPM structure are critical to the ongoing success of primary care practices.

Medicaid plays a crucial role for many of our members' practices, especially in rural and underserved areas. If we are to preserve access to care for all of our state, there are several aspects of this plan that must be re-examined. If these concerns are not addressed, we fear a lack of access and even a negative economic impact as practices with heavy Medicaid and uninsured populations are forced to close. In many areas, if a practice can no longer afford to accept Medicaid, they likely will be in a position where it is difficult for them to remain viable, hurting access to all patients in that region. Without a strong healthcare infrastructure, particularly primary care to improve health, our state will also become less attractive for outside investment that ultimately leads to new jobs and economic prosperity.

Once again, thank you for the opportunity to provide input on the 1115 waiver process. We would strongly encourage CMS to hold the North Carolina Department of Health and Human Services accountable for these areas. We do not believe you should approve the waiver unless there are substantial efforts and/or changes to address these concerns. In addition, we would request a personal meeting with the appropriate individuals within CMS in the future, and will gladly provide any additional information or answer any questions you may have.

With best regards,



Rhett L. Brown, MD
President, NC Academy of Family Physicians

cc: Eliot Fishman, Director, State Demonstrations Group, CMS
Gregory K. Griggs, MPA, CAE, Executive Vice President, NCAFP