

Community Care of North Carolina



“Improving Medicaid Quality and Controlling Costs by Building Community Systems of Care”

The Case for Medical Homes and Community Networks

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“Does a primary care based system work?”

“Community Care of NC” - in the news

- Oct 3, 2007: Community Care wins the 2007 Annie E Casey Innovations in American Government Award given by the Kennedy School of Government at Harvard University
- Oct 5, 2007 Governor Easley announces Community Care saved NC Medicaid \$231 million in 2005 and 2006 while improving care.

Background

Current NC Medicaid Facts

- ❖ 1.6 million unduplicated eligibles covered (15.2% of population)
- ❖ 810,000 children covered
- ❖ 45% of all babies born covered
- ❖ 30 % of recipients consume 74.5% resources
- ❖ Inpatient care (hosp,NH,MRC) consumes 40%
- ❖ Physicians account for only 9-10% of costs!!!
- ❖ Over \$1.5 billion spend on mental health services
- ❖ Total budget over \$ 8.5 billion

Current SCHIP facts

- Eligibility: children up to 200%FPL
- Enrollment: 121,331 Age 6-19
- Enrollment: 31,000 former SCHIP Age 0-6 now on Medicaid (up to 200% FPL)
- Legislative mandate in 2005 that starting Jan 2006 all SCIP children would be managed by CCNC and assigned a medical home.

Improving Quality & Controlling Medicaid Costs

Developing Community Care of NC Why It Was Needed?

Why We Started CCNC as Pilot

- NC is a mainly rural state not well suited for traditional managed care
- Successful Carolina Access program linked recipients with PCP in all 100 counties
- PCCM model alone not effective in cost control or quality improvement
- State was piloting Managed Care program in 2 metro areas- needed alternative for rural areas

ISSUES IDENTIFIED:

- No real care coordination system at the local level
- Primary Care Providers felt limited in their ability to manage care in current system- needed help
- Local public health departments and area mental health services were not coordinated with the medical care system
- Duplication of services at the local level
- State “Silo Funding”

Primary Goals

- *Improve the care of the Medicaid population while controlling costs*
- *Develop Community based networks capable of managing populations in partnership with the State*
- *Fully Develop the Medical Home Model (enhanced PCCM)*



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Build on ACCESS I (PCCM) 1998-99 as pilot program

- Joins other community providers (hospitals, health departments and departments of social services) with primary care physicians
- Designated primary care medical home
- Creates community networks that assume responsibility for managing recipient care

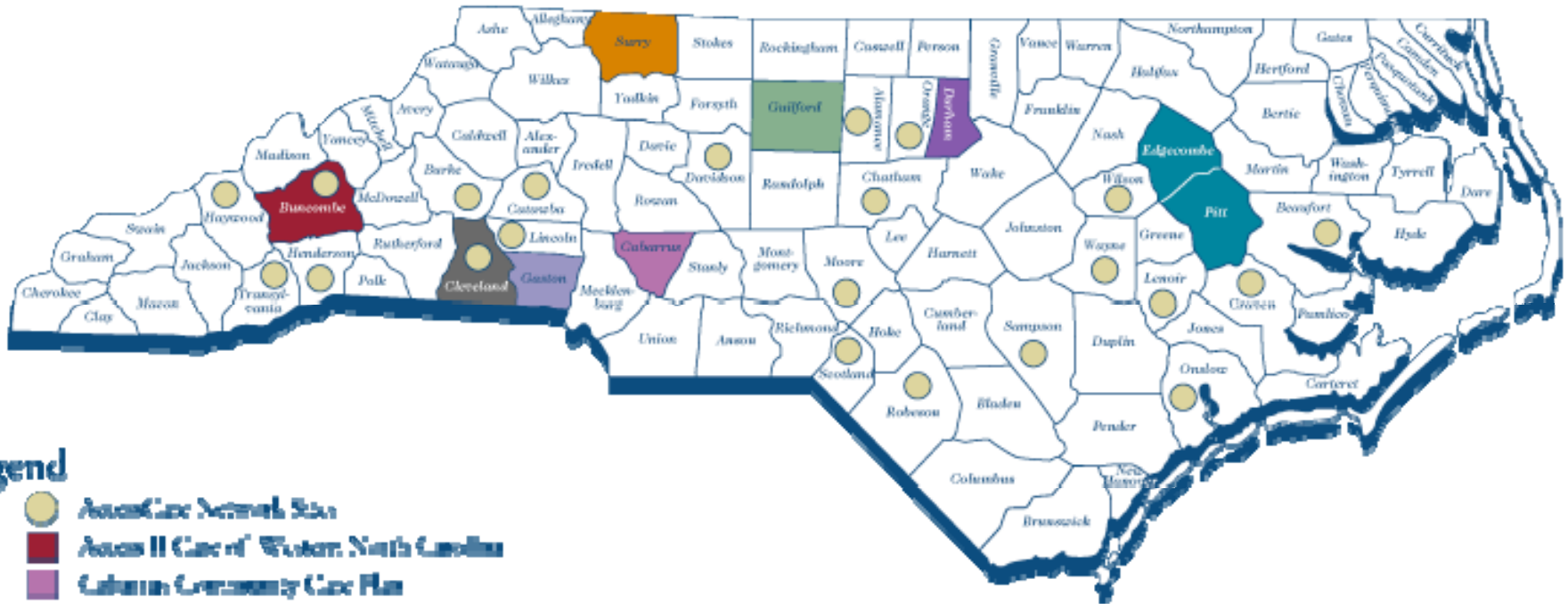




Community Care of North Carolina (Access II and III Networks)

1999

Then



Legend

- AccessCare Network Sites
- Access II Care of Western North Carolina
- Cabarrus Community Care Plan
- Carolina Community Health Partnership
- Community Care Plan of Eastern Carolina
- Community Health Partners
- Durham Community Health Network
- Partnership for Health Management
- Suny-Center Health Network

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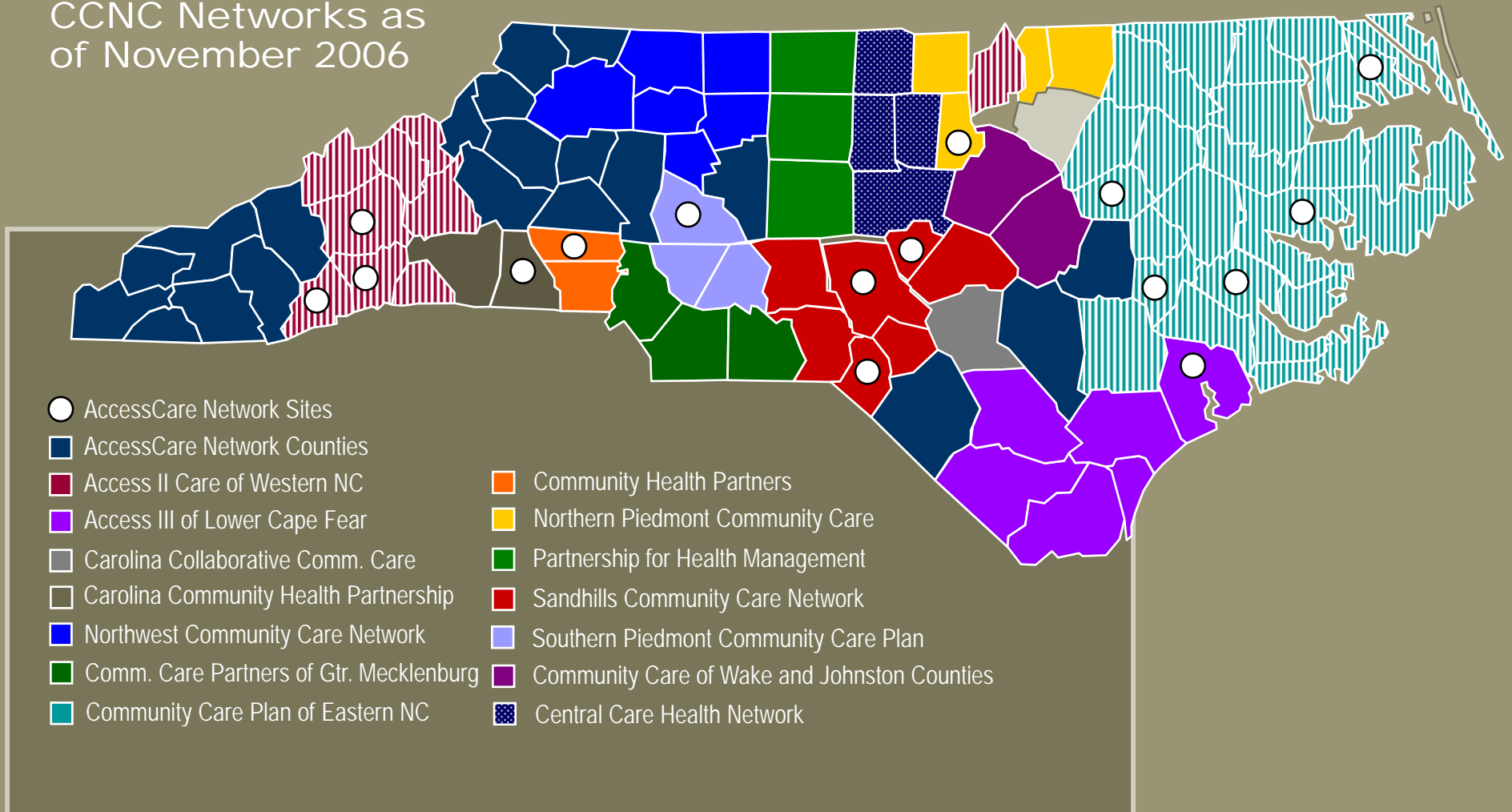
Now in 2007

- Focuses on improved quality, utilization and cost effectiveness of chronic illness care
- 15 Networks with more than 3500 Primary Care Physicians (1000 medical homes)
- over 775,000 enrollees
- Now mandated inclusion of Aged Blind and Disabled and SCHIP by General Assembly



CCNC Spread: 15 networks, 3500 MDs, >750,000 patients

CCNC Networks as of November 2006



Community Care Networks:

- Non-profit organizations
- Includes all providers including safety net providers
- Medical management committee
- Receive \$3.00 PM/PM from the State
- Hire care managers/medical management staff to work with PCPs
- PCP also get \$2.50 PMPM to serve as medical home and to participate in Disease management and Quality Improvement
- *NC Medicaid pay 95% of Medicare FFS*



Each Network Now Have:

- Part- time paid Medical Director- role is oversight of quality efforts, meets with practices and serves on State Clinical Directors Committee
- Clinical Coordinator- oversees the overall network operations
- Care Managers- small practices share/large practices may have their own assigned
- Now all networks have a PharmD to assist with medication management of high cost patients

Key Attributes of our Medicaid Medical Home

- Provide 24 hr access
- Provide or arrange for hospitalization
- Coordinated and facilitate care for patients
- Collaborate with other community providers
- Participate in disease management/prevention/quality projects
- Serve as single access point for patients

Key Innovations

- Provider networks organized by local providers and are physician led
- Evidenced based guidelines are adapted by consensus rather than dictated by the state
- Medical Homes are given the resources for care coordination and get timely feedback on results
- Inclusion of other safety net providers and human service agencies

“We are about building local systems of care rather than changing how we pay for services”

Current State-wide Disease and Care Management Initiatives

- **Asthma**
- **Diabetes**
- **Pharmacy Management (PAL, NH poly-pharmacy)**
- **Dental Screening and Fluoride Varnish**
- **Emergency Department Utilization Management**
- **Case Management of High Cost – High Risk**
- **Congestive Heart Failure (CHF) (2006)**



Network Specific Quality Improvement Initiatives

- “Assuring Better Child Development” (ABCD)
- ADD/ADHD
- HCAP/Coordinated care for the uninsured
- Gastroenteritis (GE)
- Otitis Media (OM)
- Projects with Public Health (Low Birth Weight, open access & diabetes self management)
- Diabetes Disparities
- Medical Home/ED Communications

New Network Pilots

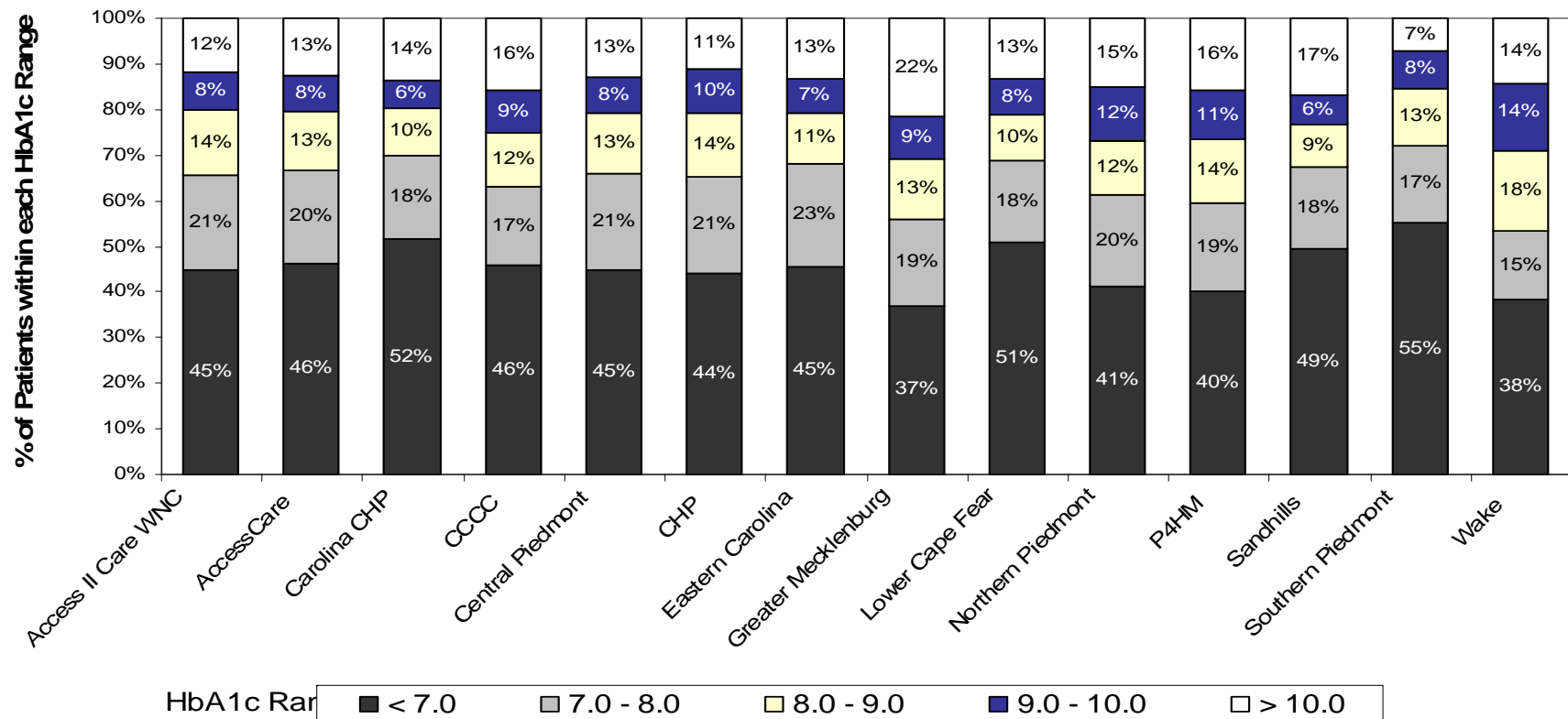
- Aged, Blind and Disabled (ABD)
- Depression Screening and Treatment
- Mental Health Integration
- Mental Health Provider Co-location
- E- Rx
- Medical Group Visits
- Dually Eligible Recipients

Results

Diabetes—Network Comparisons

Community Care of North Carolina Diabetes Disease Management Quality Initiative Round 5 2005

Distribution of HbA1c Values



Key Results

Asthma

- 34% lower hospital admission rate
- 8% lower ED rate
- average episode cost for children enrolled in CCNC was 24% lower
- 93% received appropriate inhaled steroid

Diabetes

- 15% increase in quality measures

Cost/Benefit Estimates

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July 1, 2002 – Jun 30, 2003

- Cost - \$8.1 Million

(Cost of Community Care operation)

- Savings - \$60,182,128 compared to FY02

- Savings- \$203,423,814 compared to FFS

(Mercer Cost Effectiveness Analysis – AFDC only for Inpatient, Outpatient, ED, Physician Services, Pharmacy, Administrative Costs, Other)



Cost Savings for SFY 2004

July 1, 2003- June 30, 2004

- Cost - \$10.2 million
(cost of CCNC operations)
- Savings- \$124 million compared to SFY 03
- Savings \$225 million compared to FFS

SFY 2005 and 2006 final results \$231 million saved

NC Medicaid Administrative costs only 6%!

Take Home Thoughts

Key Points

- Key attributes of CCNC are replicable in other states despite the idiosyncrasies of NC
- Key principles may have role in non government programs
- Many states have rural areas and undeveloped markets that may benefit from local system development
- Operations vary by community- CCNC principles allow local variability

The medical home and community system development are the keys to success!

Key Visions

- “Managed not regulated”
- CCNC is a clinical program not a financing mechanism
- Public –private partnership
- The medical home is key for success
- Community-based, physician led
- Quality and system oriented
- Economizing through raising quality rather than lowering fees

Key Obstacles to Duplication

- Building local systems takes time- there is a need for start-up investment (NC relied on private funders initially)- *Once established expansion can be funded through savings.*
- Medicaid requirement for “state-wideness” could be an obstacle
- Reluctance of private insurers to invest in local providers and local system development

Want to Know More?

www.communitycarenc.com

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Thank You



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