

Talking Points on the Senate Committee Substitute to HB 1181, “North Carolina Medicaid Modernization”

ISSUE: *The Senate’s proposal pits physician-led ACOs against Managed Care Organizations.*

TALKING POINT: The Senate preference for corporate managed care disregards the hard, productive work over the past year to craft a consensus Medicaid reform plan that provides more financial certainty for the state without hurting patient care. It also goes against the direction recommended by the medical experts in Governor McCrory’s administration, and gives control over patient care to out of state managed care companies rather than North Carolina’s physicians.

ISSUE: *The Senate’s plan creates a new bureaucracy, the Department of Medical Services, to run the state’s Medicaid program. This new department specifically excludes physicians from leadership roles in Medicaid as well as the reform development effort the new entity has been tasked with.*

TALKING POINT: This policy deprives North Carolina of the benefit of valuable input from the physician community, which offers not only unsurpassed clinical experience, but also a deep commitment to improving our state’s Medicaid system without hurting patients.

ISSUE: *This plan lacks clarity regarding how physicians will be measured and compensated prior to moving to full capitation.*

TALKING POINT: Physicians and other stakeholders must have an opportunity to review and comment on potential modes of payment and performance measurement as these are critical components of any payment and delivery system.

ISSUE: *The Senate’s proposal directs a new entity, the Department of Medical Benefits, to define geographic regions.*

TALKING POINT: Competition should be encouraged by avoiding exclusive geographic regions and requiring physician-led ACOs to take responsibility for spending on the full range of Medicaid services.

ISSUE: *The Senate’s proposal would allow for the establishment of specialty plans for specific populations and/or diseases.*

TALKING POINT: The NCMS is opposed to carving out certain disease states or patient populations through the establishment of specialty plans.