

S808: SECURING THE FUTURE FOR NORTH CAROLINA'S MEDICAID PROGRAM

North Carolina passed a law in 2015 to transform the Medicaid system from fee-for-service to a managed care system, allowing beneficiaries to select a care plan that best fits their own and their families' needs. The transition is nearly complete, awaiting budget approval. With S808, North Carolina has a unique opportunity to provide a low-cost, high-impact solution that will provide long-term health benefits to more than 1.6 million Medicaid recipients and more cost predictability to taxpayers.

NORTH CAROLINA IS BEHIND, BUT READY

- In 2015, North Carolina decided to transition from a fee-for-service model for Medicaid to Medicaid managed care. Since then, the state has been readying for the change.
- North Carolina took a thoughtful approach to transition delivery of services—and rightly so.
- After four years of work and investments, the transition to Medicaid managed care was indefinitely suspended. Contracts for service delivery are already in place and ready to begin. This is not unnecessary disruption, rather, transformation delivers on the change promised in 2015.
- Forty other states and the District of Columbia have successfully transitioned to Medicaid managed care—leaving North Carolina behind with an outdated Medicaid system.

NORTH CAROLINA NEEDS A PLAN FOR CARE, NOT JUST A PLAN FOR COSTS

- At a time when the needs of North Carolinians are especially great, the state can realize the benefits of Medicaid Transformation through health care service delivery, care coordination, behavioral health services, and long-term services and supports.
- Moreover, North Carolina's unique approach to Medicaid Transformation calls for \$650 million in Medicaid funding (federal funds) for Healthy Opportunities pilots to help improve key social needs like food, transportation and housing—and is also indefinitely suspended.
- Ultimately, Medicaid Transformation will provide whole-person care and result in improved health outcomes for more than 1.6 million North Carolinians.

MEDICAID TRANSFORMATION SHOULD BE PART OF THE PANDEMIC RESPONSE

- COVID-19 has disproportionately impacted Medicaid beneficiaries due to health disparities and socioeconomic factors. Providing access to health-related social services for the 1.6+ million Medicaid beneficiaries should be a part of any long-term pandemic recovery solution.
- Facing a likely budget shortfall and an increase in Medicaid enrollment due to the economic impacts of COVID-19, the state must consider how to deliver the best health care while keeping costs stable.
- Medicaid Transformation will also improve North Carolina's Medicaid budget predictability by shifting from fee-for-service to a managed care system that will limit the state's exposure to increased health care costs.

S808 DELIVERS A PLAN FOR AN INTEGRATED MEDICAID SYSTEM—WHEN N.C. NEEDS IT MOST

- Senate Bill 808 resumes Medicaid Transformation by providing adequate funding and program authority. It also sets a go-live date of July 2021, allowing more than a year to resume the work that was nearly finished in November 2019.
- The current public health crisis has been devastating. However, North Carolina needs a sustainable plan to keep the 1.6+ million beneficiaries healthy for the long-term, not just the near term.
- Beneficiaries, providers and taxpayers have waited since 2015 to realize the improved health benefits and financial impacts from Medicaid Transformation.

ABOUT US

The North Carolina Medicaid Choice Coalition advocates for quality and affordable health care options for all North Carolinians who participate in Medicaid.

 ncmedicaidchoice.org

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