

Public Comments to the Joint Legislative Medicaid Reform and Division of Medical Assistance Reorganization Subcommittee

Delivered on 10/20/14

Thank you Mr. Chairman and members of the committee for the opportunity to speak today. My name is Rob Thompson and I am the Director of Communications with NC Child. NC Child is a statewide non-profit organization that advances public policies to improve the lives of North Carolina's children.

We recognize the need to reform our state's Medicaid system to improve outcomes for children and to control growing costs. As you proceed with your deliberations, we hope that you will take into account the unique challenges that are presented by serving children, who, with approximately one million enrollees, constitute well over one half of the Medicaid population.

We believe that a provider-led or managed care framework has the potential to improve outcomes for children and to enhance efficiency within the Medicaid system if it includes specific safeguards and assurances that children, particularly those with special needs, will not lose access to needed services.

First, it is important to carefully consider the quality metrics and outcomes used to measure success in pediatric care in either a provider-led or managed care based system.

The potential for immediate cost savings within the pediatric population is limited. The majority of savings from pediatric care occur later in life as a result of avoided and better managed chronic conditions, such as diabetes, obesity, and heart disease or in other parts of the budget (education, juvenile justice, and other divisions of DHHS).

Success by pediatric providers should be measured using public health and preventive care indicators, not just immediate cost-savings. This will pay handsomely in avoided costs in future budget years.

Second, we need to make sure that children with developmental delays and disabilities receive the treatment they need. When addressed early, some developmental delays can be resolved or moderated resulting in better outcomes for the child and substantial cost-savings. However, many children with developmental delays or disabilities will not get better and will need continuous high-level care throughout their childhood and adult lives. While Medicaid should incentivize the early diagnosis and treatment of developmental delays and disabilities, it should also provide adequate and on-going habilitative services for children in need.

Third, the integration of behavioral and physical health should be pursued, but deliberately and with caution. Integration is an exciting idea that holds the promise of better outcomes for our state's Medicaid population. It is, however, a strategy where no blueprint for success exists from our state or other states. As such, we should move slowly and carefully to ensure that any attempts at integration do not have unintended consequences, particularly with our newly-created system of LME/MCOs. As a starting point, we should consider initiating coordinated care with an interdisciplinary team for patients in medical and mental health systems, while identifying and expanding pilots for integration.

In summary, we hope you will take into account the unique challenges that are presented by serving children and particularly children with special needs as you craft proposals to reform the Medicaid system. Thank you for the opportunity to speak.