

Director's Report
September 18, 2019

Medicaid Transformation Update

Management and staff continue to attend meetings and webinars regarding the change in the Medicaid Program from Fee for Service to Managed Care. DHHS and DBH continue to monitor the roll out and plan to identify and address any concerns or correct any deficiencies prior to Statewide roll out in February 2020. Medicaid Managed Care was scheduled to roll out in two phases with Phase 1 to roll out in November 2019 and Phase 2 (the remainder of the State), including Rutherford County, in February 2020. However, due to the State continuing to operate without a final budget under the continuing resolution, Managed Care will launch for all regions in February 2020. The House and Senate have passed various bills regarding funding for this year in order to continue certain services and projects since the final budget bill (H966) has not been passed. However, House Bill 555 was vetoed by the Governor, which would have allowed funding for the State to remain on schedule with the initial plan for Medicaid Transformation. Open enrollment will be extended for the 27 counties in Regions 1 and 4 (Phase 1) until December 13, 2020. Phase 2 schedule will remain unchanged with open enrollment still scheduled for October 14 – December 13. While this does not delay the Statewide rollout, it is unfortunate that the State and Counties will not be able to identify problems and deficiencies and make adjustments based on a first rollout. A press release by NC DHHS is included in the agenda packet and provides more detailed information about this decision.

Media coverage of the change has already caused concern for consumers in our County. While we are utilizing all available resources to prepare for this transition, we are concerned about our ability to handle the additional work due to increased foot traffic and phone calls. When people have questions, the majority are going to turn to us for answers. We will have a broker in the office during open enrollment so that will help some.

Proposed Legislative Bills

The list of proposed legislative bills that we have followed for the past several months is contained in the agenda packet. Bills that have been added to the list and those with changes since the last meeting are at the end of the list and highlighted in yellow.

State Budget (House Bill 966) – There has been no change in the status of the final State budget. The House and Senate presented their Compromised Budget to the Governor on June 25, 2019. It was vetoed by the Governor, many believe because it did not include Medicaid Expansion. It seems plausible that there may be some form of Medicaid Expansion in the final

budget. The Governor recently vetoed House Bill 555 which would have released funding to remain on schedule with Medicaid Transformation until a final budget is passed. The Compromised Budget included funding that was part of the previous bills that will effect local DSS agencies and their consumers. I have discussed these below since we do not expect them to be removed since the major contention with the budget appears to be Medicaid Expansion.

- Additional SSBG funds were included to increase and support Adult Protective Services workers at the local level. It is uncertain whether this funding will be given to Counties to support current positions.
- The Special Needs Allowance for SA recipients in assisted living facilities is to increase from \$46 to \$70 a month effective October 1, 2019. This increase is supported because it will provide assisted living residents personal needs and there are no other financial means for this to occur. The personal needs allowance has not increased in many years, leaving the residents without support for basic needs, such as hygiene supplies and clothing. This could potentially increase caseloads because this could make those slightly over the income limit eligible. The SA rate is \$1,182.00, which is also the income limit. The special needs allowance is added to this to make the rate \$1,228.00, which becomes the maximum income limit. Therefore, the income limit for eligibility will increase from \$1,228.00 to \$1,252.00. All Adult Medicaid recipients currently receive an automatic \$20.00 from their income, so consumers in the SA facilities actually will have \$90 per month personal needs allowance. Special Assistance is 50% County funded, so this will slightly increase the County cost. We currently have 167 recipients in SA facilities, so the County's portion will increase by approximately \$2,000. To ensure that SA recipients receive this support in FY 19-20, the General Assembly has been encouraged to fund the full increase for one year of the biennium, which would allow Counties time to incorporate the increase in their FY 20-21 budgets. Counties pay 50% of the personal needs allowance, along with half of the SA rate and 100% of the administrative cost. (HB 752)
- Temporary Assistance for Facilities that serve Special Assistance Recipients – Includes funding to increase this assistance from \$34 to \$70 a month per SA recipient effective October 1, 2019. Special Assistance is 50% County funded, so this will increase County cost by approximately \$3,000, which was not budgeted. (HB 539, SB 538) We are concerned about the temporary assistance increase in lieu of an SA rate increase, because of the fiscal impact on Counties beyond the 50% match of the SA payment. By not raising the SA rate, the income limits are resulting in fewer people being eligible for SA. When DSS has an APS or Guardianship case that needs placement in this level care

and their income is slightly above the cap, the County often has to supplement their income in order to get a facility to take the individual. This becomes a 100% County expense.

- Food and Nutrition Services Outreach for Medicaid/Medicare Dual Eligible – Includes \$600,000 funding to increase access to FNS benefits for individuals who are dually eligible for Medicaid and Medicare. This continues a pilot project that began in 2016. This will have no impact on the County budget.
- Low Income Energy Assistance – Reduces service and administrative funds for Energy Assistance Programs (Crisis Intervention Program and Low Income Energy Assistance Program) due to reduced Federal funding. While these programs are funded totally by Federal dollars, it could impact available funds to assist consumers. However, for the past two years, Rutherford County has not spend the total funds available to the County.
- Quality Assurance Positions – Provides funds for a 50% match to participating Counties to establish new quality assurance positions for Child Welfare at the local level. The match funds will be prioritized based on County need and population. Counties having at least one percent (1%) of the State's population would receive one position and Counties having less than one percent (1%) of the State's population would share a position.
- Child Welfare Program Improvement – Provides funding to establish 11 new positions to increase the State's capacity to provide technical assistance and program monitoring of County Child Welfare Agencies.
- Child Advocacy Centers – Provides increased funding for Child Advocacy Centers. This could enhance the services provided by our local child advocacy centers, resulting in enhanced Child Protective Services.