



North Carolina Department of Health and Human Services

Pat McCrory
Governor

Aldona Z. Wos, M.D.
Ambassador (Ret.)
Secretary DHHS

Adam Sholar
Legislative Counsel
Director of Government Affairs

November 1, 2014

SENT VIA ELECTRONIC MAIL

Mr. Mark Trogdon Director
Fiscal Research Division
North Carolina General Assembly
Room 619, Legislative Office Building
Raleigh, NC 27603-5925

Dear Director Trogdon:

N.C. General Statute §108A-54.2 requires the Department of Health and Human Services to provide an annual report to the Office of State Budget and Management and the Fiscal Research Division that itemizes changes to the NC Medicaid and NC Health Choice medical coverage policies with requirements below certain fiscal thresholds.

Please find those reports attached and please direct all questions concerning this report to Melanie Bush, Assistant Director at the Division of Medical Assistance, at 919-855-4115 or Melanie.Bush@dhhs.nc.gov.

Sincerely,

Adam Sholar

Cc:	Sarah Riser	Pat Porter	Senator Ralph Hise
	Brandon Griefe	Steve Owen	Representative Justin Burr
	Joyce Jones	Pam Kilpatrick	Representative Mark Hollo
	Susan Jacobs	Theresa Matula	Robin Cummings
	Rod Davis	Sandra Terrell	reports@ncleg.net

www.ncdhhs.gov

Tel 919-855-4800 • Fax 919-715-4645

Location: Adams Building/Dix Campus • 101 Blair Drive • Raleigh, NC 27603

Mailing Address: 2001 Mail Service Center • Raleigh, NC 27699-2001

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SENT VIA ELECTRONIC MAIL

Mr. Lee Roberts
State Budget Director
Office of State Budget and Management
Room 5200, Administration Building
Raleigh, NC 27603-8005

Dear Director Roberts:

N.C. General Statute §108A-54.2 requires the Department of Health and Human Services to provide an annual report to the Office of State Budget and Management and the Fiscal Research Division that itemizes changes to the NC Medicaid and NC Health Choice medical coverage policies with requirements below certain fiscal thresholds.

Please find those reports attached and please direct all questions concerning this report to Melanie Bush, Assistant Director at the Division of Medical Assistance, at 919-855-4115 or Melanie.Bush@dhhs.nc.gov.

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DIVISION OF MEDICAL ASSISTANCE
NC Health Choice (NHC) Policies Annual Legislative Report - Session Law 2013-360-12H.6(a)
< \$50,000 Per Year - Total State/Federal Dollars
State Fiscal Year 2014 (July 1, 2013- June 30, 2014)
 Author: Tracy Linton, Chief, Clinical Policy and Special Projects 09/12/2014 DRAFT

CLINICAL POLICY DESCRIPTION	Fiscal Impact	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Telemedicine and Telepsychiatry (1-H) 2012.85-1 Amendment removing prior approval requirements, except when the medical or psychiatric service requires prior approval based on service type or diagnosis.	No change in beneficiary eligibility and utilization. The fiscal impact analysis of the policy information has been determined to be zero.	Zero Fiscal Impact	Zero Fiscal Impact	Zero Fiscal Impact	Zero Fiscal Impact	Zero Fiscal Impact		
Mental Health/Substance Abuse Targeted Case Management (8-L) 2014.149 Amendment with technical nonsubstantive changes	No change in beneficiary eligibility and utilization. The fiscal impact analysis of the policy information has been determined to be zero.			Zero Fiscal Impact	Zero Fiscal Impact	Zero Fiscal Impact	Zero Fiscal Impact	Zero Fiscal Impact
Inpatient Behavioral Health Services (8B) 2014.145 Amendment with technical nonsubstantive changes	No change in beneficiary eligibility and utilization. The fiscal impact analysis of the policy information has been determined to be zero.			Zero Fiscal Impact	Zero Fiscal Impact	Zero Fiscal Impact	Zero Fiscal Impact	Zero Fiscal Impact
Psychiatric Residential Treatment Facilities for Children under the Age of 21 (8D-1) 2014.147 Amendment with technical nonsubstantive changes	No change in beneficiary eligibility and utilization. The fiscal impact analysis of the policy information has been determined to be zero.			Zero Fiscal Impact	Zero Fiscal Impact	Zero Fiscal Impact	Zero Fiscal Impact	Zero Fiscal Impact
Residential Treatment Services (8D-2) 2014.148 Amendment with technical nonsubstantive changes	No change in beneficiary eligibility and utilization. The fiscal impact analysis of the policy information has been determined to be zero.			Zero Fiscal Impact	Zero Fiscal Impact	Zero Fiscal Impact	Zero Fiscal Impact	Zero Fiscal Impact
Psychological Services in Health Departments and School-Based Health Centers Sponsored by Health Departments to the under-21 Population (8-I) 2014-54 Amendment with technical nonsubstantive changes	No change in beneficiary eligibility and utilization. The fiscal impact analysis of the policy information has been determined to be zero.			Zero Fiscal Impact	Zero Fiscal Impact	Zero Fiscal Impact	Zero Fiscal Impact	Zero Fiscal Impact
Total	N/A	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Grand Total - (Projected savings over 5 years)	\$0							

NOTE: A technical nonsubstantive policy change does not affect the amount, sufficiency, duration, and scope of health care services or who may provide services. Such a change does not require consulting with the NC Physician Advisory Group or public notice and comment. The change can be for typographical errors, misspellings, punctuation, grammar, URL error, etc.

DIVISION OF MEDICAL ASSISTANCE								
NC Medicaid Policies Annual Legislative Report - Session Law 2013-360-12H.6(a).								
Policy Changes < \$500,000 Per Year - Total State/Federal Dollars								
State Fiscal Year 2014 (July 1, 2013- June 30, 2014)								
CLINICAL POLICY DESCRIPTION	Fiscal Impact	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Telemedicine and Telepsychiatry (1-H) 2012.85-1 Amendment removing prior approval requirements, except when the medical or psychiatric service requires prior approval based on service type or diagnosis.	No change in beneficiary eligibility and utilization. The fiscal impact analysis of the policy information has been determined to be zero.	Zero Fiscal Impact	Zero Fiscal Impact	Zero Fiscal Impact	Zero Fiscal Impact	Zero Fiscal Impact		
Outpatient Specialized Therapies (10A) 2014.6710A_3 Amendment limiting beneficiaries 21 years of age or older, with neurodegenerative or lymphodema diagnosis, or within 60 days post musculoskeletal or neurological surgical procedure to three combined (PT, OT, SLP) treatment visits and one evaluation per calendar year. Changed the therapeutic service limits for beneficiaries who have had an amputation, joint replacement, or post-op fracture, to 8 treatments. Changed the limits for beneficiaries who have had a stroke, traumatic brain injury, or spinal cord injury to 24 treatments. Does not apply to NCHC.	Decrease in number of beneficiaries eligible and utilization. The fiscal impact indicates there will be a reduction in total requirements.		(\$181,498)	(\$2,224,147)	(\$2,271,299)	(\$2,319,450)	(\$2,368,622)	
Skin Substitutes (1G-2) 2013.80 Amendment to add new coverage for Theraskin which has a lower treatment cost per wound than other bioengineered skin substitutes. Does not apply to NCHC.	Fiscal impact analysis indicates there will be a reduction in total requirements. No change in benefit eligibility. Utilization expected to increase for Theraskin in response to a decrease in more costly skin substitutes. There will be unit limitations.	(\$10,111)	(\$41,682)	(\$42,930)	(\$44,188)	(\$45,456)		
Mental Health/Substance Abuse Targeted Case Management (8-L) 2014.149 Amendment with technical nonsubstantive changes	No change in beneficiary eligibility and utilization. The fiscal impact analysis of the policy information has been determined to be zero.			Zero Fiscal Impact	Zero Fiscal Impact	Zero Fiscal Impact	Zero Fiscal Impact	Zero Fiscal Impact
Inpatient Behavioral Health Services (8B) 2014.145 Amendment with technical nonsubstantive changes	No change in beneficiary eligibility and utilization. The fiscal impact analysis of the policy information has been determined to be zero.			Zero Fiscal Impact	Zero Fiscal Impact	Zero Fiscal Impact	Zero Fiscal Impact	Zero Fiscal Impact

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Psychiatric Residential Treatment Facilities for Children under the Age of 21 (8D-1) 2014.147 Amendment with technical nonsubstantive changes	No change in beneficiary eligibility and utilization. The fiscal impact analysis of the policy information has been determined to be zero.			Zero Fiscal Impact	Zero Fiscal Impact	Zero Fiscal Impact	Zero Fiscal Impact	Zero Fiscal Impact
Residential Treatment Services (8D-2) 2014.148 Amendment with technical nonsubstantive changes	No change in beneficiary eligibility and utilization. The fiscal impact analysis of the policy information has been determined to be zero.			Zero Fiscal Impact	Zero Fiscal Impact	Zero Fiscal Impact	Zero Fiscal Impact	Zero Fiscal Impact
Psychological Services in Health Departments and School-Based Health Centers Sponsored by Health Departments to the under-21 Population (8-I) 2014-54 Amendment with technical nonsubstantive changes	No change in beneficiary eligibility and utilization. The fiscal impact analysis of the policy information has been determined to be zero.			Zero Fiscal Impact	Zero Fiscal Impact	Zero Fiscal Impact	Zero Fiscal Impact	Zero Fiscal Impact
8J, Children's Developmental Service Agencies (CDSAs) (8-J) 2014-156 Amendment with technical nonsubstantive changes. Does not apply to NCHC.	No change in beneficiary eligibility and utilization. The fiscal impact analysis of the policy information has been determined to be zero.			Zero Fiscal Impact	Zero Fiscal Impact	Zero Fiscal Impact	Zero Fiscal Impact	Zero Fiscal Impact
End Stage Renal Disease (ESRD) Services (1A-34) 2014-20 New policy documenting current coverage. Does not apply to NCHC.	No change in beneficiary eligibility and utilization. The fiscal impact analysis of the policy information has been determined to be zero.		Zero Fiscal Impact	Zero Fiscal Impact	Zero Fiscal Impact	Zero Fiscal Impact	Zero Fiscal Impact	
Total	N/A	(\$10,111)	(\$223,180)	(\$2,267,077)	(\$2,315,487)	(\$2,364,906)	(\$2,368,622)	\$0

DIVISION OF MEDICAL ASSISTANCE								
NC Medicaid Policies Annual Legislative Report - Session Law 2013-360-12H.6(a).								
Policy Changes < \$500,000 Per Year - Total State/Federal Dollars								
State Fiscal Year 2014 (July 1, 2013- June 30, 2014)								
CLINICAL POLICY DESCRIPTION	Fiscal Impact	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Grand Total - (Projected savings over 5 years)	(\$9,549,383)							
A technical nonsubstantive policy change does not affect the amount, sufficiency, duration, and scope of health care services or who may provide services. Such a change does not require consulting with the NC Physician Advisory Group or public notice and comment. The change can be for typographical errors, misspellings, punctuation, grammar, URL error, etc.								