



2023-2024 General Assembly

HOUSE BILL 259: 2023 Appropriations Act, Sec. 9E.26: Continue to Address the Reimbursement Methodology Used for Services Provided to Senior Dual Eligibles

Committee:
Introduced by:
Analysis of: Sec. 9E.26 of S.L. 2023-134

Date: November 20, 2023
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Legislative Analyst

OVERVIEW: Section 9E.26 of S.L. 2023-134 expresses the intent of the General Assembly to continue to address the need for changes to the Medicaid reimbursement methodology used for certain services provided to seniors aged 65 and older who are dually enrolled in Medicare and Medicaid. In consultation with relevant stakeholders, the Division of Health Benefits (DHB), Department of Health and Human Services, is required to explore all options available to increase access to Medicaid services for dual eligibles that provide alternatives to nursing home placements, including adult care homes, special care units, and in-home living. DHB is required to take specified actions, but is prohibited from implementing any changes, new programs, or new services if implementation exceeds DHB's statutory authority (G.S. 108A-54(e)(1)) or creates a recurring cost to the State that would reasonably be anticipated to exceed a future authorized budget for the Medicaid program.

The actions specified are as follows:

- *Make a formal request to the Centers for Medicare and Medicaid Services (CMS) for coverage by the Medicare program of services provided to individuals who reside in adult care homes, assisted living settings, or special care units, or to support in-home living of older individuals.*
- *Develop the proposed changes to the current Medicaid personal care services under Clinical Coverage Policy 3L required to implement a per diem payment for personal care services provided in a congregate setting in a manner, similar to the payment methodology used by Washington state and outlined in the report to the Joint Legislative Oversight Committee on Medicaid entitled "Establish New Adult Care Home Payment Methodology" dated June 10, 2022.*
- *Develop the proposed service definition and draft clinical coverage policy for Adult Care Home Congregate Care Services (ACH CCS) as a new Medicaid covered service, as outlined in the report referenced above. DHB must also develop the proposed per diem rate methodology to be used for these services and create the proposed new independent assessment tool to be used.*
- *Identify what amendments can be needed to the 1115 waiver for Medicaid transformation or the Medicaid State Plan to provide more appropriate reimbursement for services provided to Medicaid recipients residing in adult care homes or other congregate settings.*
- *Propose any pilot program or new Medicaid demonstration waiver to support alternatives to nursing home placement for seniors.*

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- *Design innovative payment and service delivery models, including Dual Eligible Special Needs Plans (D-SNPs) and Institutional Equivalent Special Needs Plans (IE-SNPs) for assisted living facilities and adult care homes.*

No later than March 1, 2025, DHB must submit a report to the Joint Legislative Oversight Committee on Medicaid and the Fiscal Research Division on specified items as they relate to requirements outlined under this section. The specified items that must be included in the report are as follows:

- *The details of the request required to be submitted to CMS and the response to the request.*
- *A draft of the proposed changes to Clinical Coverage Policy 3L and the annual cost or savings to the State associated with the implementation of those changes.*
- *A draft of the proposed service definition for ACH CSS and the associated per diem rate methodology and assessment tool, including the annual cost or savings to the State associated with the implementation of any or all of these items.*
- *A draft of any 1115 waiver or State Plan amendments developed in accordance with this section, including the annual cost or savings to the State associated with the implementation of the waiver or State Plan amendments.*
- *Details on any pilot program or new Medicaid demonstration waiver being proposed and any annual cost or savings to the State associated with the implementation of each proposed pilot program or demonstration waiver.*
- *Details and a draft of any innovative payment and service delivery models developed, including Dual Eligible Special Needs Plans (D-SNPs) and Institutional Equivalent Special Needs Plans (IE-SNPs) for assisted living facilities and adult care homes.*
- *A description of the stakeholders involved in the development of any plan or proposal.*
- *Any recommended legislative changes.*

This section became effective July 1, 2023.