Medicare Health Care Quality Demonstration Programs –North Carolina Community Care Networks
FACT SHEET

Summary: Medicare Health Care Quality (MHCQ) Demonstration Programs are designed to examine the extent to which major, multi-faceted changes to traditional Medicare's health delivery and financing systems lead to improvements in the quality of care provided to Medicare beneficiaries, without increasing total program expenditures. The North Carolina Community Care Networks (NC-CCN) project, implemented under MHQC, will build on a Primary Care case Management program that was developed by the North Carolina's Medicaid program that currently serves the state's Medicaid-only, low-income, and uninsured populations. Under the demonstration, the same coordination of care efforts will be expanded to the dually eligible and Medicare-only population.

Demonstration Background: Section 1866C of the Social Security Act, as added by section 646 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, P. L. 108-173. Section 1866C (b) requires the Secretary to establish a 5-year demonstration program under which the Secretary may approve demonstration projects that examine health delivery factors that encourage the delivery of improved quality in patient care. This section also authorizes the Secretary to waive compliance with such requirements of titles XI and XVIII of the Social Security Act (42 U.S.C. 1395 et seq.) as may be necessary for the purposes of carrying out the demonstration project. In the event the demonstration site reduces Medicare costs and qualifies for a portion of Medicare savings, waiver authority related to title XVIII will be exercised.

- Three types of "health care groups" were applicable to participate in the MHCQ demonstration: a) 1) groups of physicians, 2) integrated health care delivery systems (IDS), and 3) organizations representing regional coalitions of groups or systems described previously.

- The Centers for Medicare and Medicaid Services published a solicitation for demonstration proposals in 2005. All proposals were reviewed by a panel of experts. Those proposals that appeared to be both promising and feasible were recommended to the CMS Administrator, who made the final selection of participants.

- The implementation date for the NC-CCN demonstration is January 1, 2010, and is scheduled to end December 31, 2014.

NC-CCN Background: NC-CCN is a not-for-profit organization that is assuming many of the functions performed by Community Care of North Carolina (CCNC) which is North Carolina's primary case management program for its Medicaid population. Under the demonstration, NC-CCN will implement four-pronged strategy to improve care delivery:

- Assign beneficiaries to participating primary care physician practices. These practices will be responsible for coordinating care and improving performance on a defined set of quality measures.
- Provide community-based care coordination services to participating practices and beneficiaries.

- Expand the current case management information system to include the dually eligible and Medicare only population.
- Develop and implement a performance measurement, reporting, and incentive program to recognize and encourage improvements in performance by participating physicians.

NC-CCN will link CMS claims data with data from the various sources to generate patient-level and provider level quality reports, alerts and reminders for participating providers.

North Carolina Participating Networks: NC-CCN consists of 14 physician networks. Of the 14 physician networks within NC-CCN, 8 networks will be participating in the demonstration.

Intervention Population: The demonstration will be implemented in 26 of the 100 counties in North Carolina. The first two years of the demonstration will target enrollment of the dually eligible Medicare beneficiaries who are affiliated with the physician practices participating in the demonstration. The demonstration will target enrollment of the Medicare-only population who are affiliated with the same physician practices.

Quality-contingent Shared Savings:

At least half of any shared savings payment made to NC-CCN will be contingent on achieving targets on a set of performance measures (e.g., measures for management of diabetes, heart failure, and transitional care). In the first year, 18 measures are expected to be used with the number growing over time.

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