kaiser commission on medicaid and the uninsured

THE HENRY J. KAISER FAMILY FOUNDATION

POLICY BRIEF

May 2009

Community Care of North Carolina: Putting Health Reform Ideas into Practice in Medicaid

SUMMARY

Why is Community Care of North Carolina (CCNC) of Interest?

As discussion around national health reform continues, state experiences can provide important lessons to help inform national reform efforts. Since 1998, North Carolina has been implementing an enhanced medical home model of care in its Medicaid program called Community Care of North Carolina (CCNC). CCNC puts many of the ideals that have been articulated for broad health reform into practice. Beyond linking individuals with a provider as a medical home, it incorporates a heavy emphasis on care coordination, disease and care management, and quality improvement. Evaluations of the program suggest it has resulted in both improved care and cost savings. As such, CCNC not only provides important lessons for broad reform efforts, but also demonstrates the Medicaid program's ability to incorporate quality improvement strategies that enhance its ability to provide coordinated, cost effective care to low-income individuals with significant health needs.

What is CCNC?

CCNC is an enhanced medical home model consisting of several key components:

- *Local non-profit community networks* that are comprised of physicians, hospitals, social service agencies, and county health departments provide and manage care.
- Within each network, each enrollee is linked to a primary care provider to serve as a *medical home* that provides acute and preventive care, manages chronic illnesses, coordinates specialty care, and provides 24/7 on-call assistance.
- *Case managers* are integral members of each network who work in concert with physicians to identify and manage care for high-cost, high-risk patients.
- The networks work with primary care providers and case managers to implement a wide array of *disease and care management* initiatives that include providing targeted education and care coordination, implementing best practice guidelines, and monitoring results.
- The program has built-in data monitoring and reporting to facilitate *continuous quality improvement* on a physician, network, and program-wide basis.

How has CCNC Impacted Costs and Care?

To date, the state contracted for two external evaluations of the CCNC program:

- Analysis by the Mercer consulting group found that in every year examined (FY2003-FY2006), CCNC achieved savings relative to what the state would have spent under its previous primary care case management (PCCM) program. Estimated savings for FY2006 were $150-$170 million.
- The University of North Carolina evaluation of asthma and diabetes patients in CCNC versus the state's PCCM program found the state achieved $3.3 million in savings for people with asthma and $2.1 million in savings for people with diabetes between 2000-2002. Further, asthma patients experienced improved care as evidenced by greater reductions in inpatient hospital admissions and emergency room visits. Diabetes patients had fewer hospitalizations and achieved high rates of performance measures, such as primary care visits, blood pressure readings, foot exams, and lipid and A1C tests.

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