

Medicaid Managed Care in Washington

Partners in Community Health

Presented jointly by Amerigroup, Community Health Plan of Washington, Coordinated Care, Molina Healthcare of Washington and UnitedHealthcare

Objectives

- Provide an introduction to the who, what, when, why and how of managed care in Washington
- Discuss opportunities, potential challenges and questions as we move toward the fully integrated managed care by 2020 and the realization of the goals of a Healthier Washington
- Reaffirm managed care's role as a local resource and thought partner

What is Medicaid Managed Care?

- Managed Care is a health care delivery system organized to manage cost, utilization, and clinical and service quality.
- Medicaid managed care provides for the delivery of Medicaid health benefits and additional services through contracted arrangements between state Medicaid agencies and managed care organizations (MCOs) that accept a set per member per month (capitation) payment for these services.
- By contracting with MCOs, states can reduce Medicaid costs and better manage utilization of health services.
- MCO contracts with the State Medicaid Agency are profit-limited contracts.
- MCOs strive to reinvest cost savings through shared savings programs and provider partnerships.
- Improvement in health plan performance, health care quality, and outcomes are key objectives of Medicaid managed care.

Some Facts about the History of Managed Care

- One of the earliest references to managed health care in the country dates back to 1910 in Tacoma, Washington
- In 1947, 400 families organized to form Group Health Cooperative of Puget Sound
- California was the first state to move its Medicaid population into a managed care model in the early 1970s

Medicaid Managed Care in Washington

- Health Care Authority is the single state Medicaid agency in Washington, which means it holds the authority and receives payment from the federal government for Medicaid.
- HCA and DSHS have agreements in place that places management and oversight of most behavioral health programs within DSHS
- Since 1987, Washington has utilized managed care for physical health coverage (through 1932a) – originally “Healthy Options” and now “Apple Health”
- Since 1993, the state has operated its mental health Medicaid benefit via a 1915b waiver - through the RSNs
- Both authorities require enrollment in managed care

Medicaid Managed Care in Washington Today

- 1.8 million Washingtonians enrolled in Apple Health (Medicaid) and approximately 92% are enrolled in managed care
- 6 Medicaid Managed Care Plans are contracted with the state to deliver physical health and mild to moderate mental health services on a county by county basis
- Molina Healthcare of Washington, Community Health Plan of Washington, UnitedHealthcare, Coordinated Care, Amerigroup, Columbia United Providers (CUP)

Role of MCOs in Washington

- MCOs provide coordinated care through a defined network of health care systems and providers.
- MCO role goes far beyond paying claims and approving or denying authorization for services...MCOs invest significant time and resources to:
 - Facilitate Care Management
 - Assure Clinical and Service Quality
 - Build Provider Networks
 - Engage & Partner with Communities
 - Leverage Data and Technology
 - Monitor & Maintain Compliance

Care Management

- Utilization Management:
 - Right Care: Medically Necessary
 - Right Time: Pursue Appropriate lower level interventions first
 - Right Provider/Right Care: Pay for quality/performance and Evidence Based Practices
- Case Management for High Needs Members
 - Complex case management, care coordination, disease management, and health education
 - Health Homes as example of strong community based care management

Pursuit of Quality

- All plans are NCQA certified and responsible for reporting on HEDIS and CAHPS measures
- Among other things NCQA demands attention to
 - “Quality of Care” and the “Quality of Service”
 - Safety
 - Cultural and Linguistic appropriateness and addressing health disparities

Finance Capacity

- MCOs are risk-bearing entities.
- MCOs have risk-adjusted rates.
- MCOs are profit-limited. The State Medicaid agency sets a maximum profit of 3%. Profits greater than 3% must be returned to the Medicaid Agency (50% of profits between 3% and 5%; 100% of profit greater than 5%).
- MCOs maintain sufficient reserves as required by the OIC.
- MCOs have payment model expertise.
- MCOs have actuarial resources in order to validate that rates are actuarially sound.

Leveraging Data and Technology

- Advanced healthcare analytics and data
- Information Exchange and Interoperability
- Examples:
 - Claims-based data
 - Real-time ED/admission based data (Pre-Manage/EDIE)
 - Patient registry
 - Shared cost savings analysis

Building Provider Networks

- Contract with providers to ensure the availability of a sufficient number and type of providers within a required distance to meet the diverse needs of the members
- To engage providers, most MCOs offer a continuum of payment approaches including value based models for provider partners to provide opportunities to share savings and be rewarded for high quality care
- Networks are routinely monitored to ensure Access & Availability standards are maintained

Community Engagement

- MCOs partner with community-based organizations and agencies at the local level to increase health care coverage, improve health literacy, drive health education campaigns and build better connections across the service delivery continuum.
- MCOs hire local and regionally based staff and resources.

MCOs' Role and Contributions to ACHs

- MCOs are a local resource and thought partner
 - MCOs have dedicated staff and subject matter experts serving on ACH boards, councils and workgroups across the state.
 - MCOs participate with HCA and Healthier WA on ACH discussions.
 - MCOs partner with other health care stakeholders to plan and prepare for ACH work.
 - MCOs work collaboratively with each other as a sector

Opportunities, challenges and questions as we move toward fully integrated managed care and realization of the goals of a Healthier Washington

Preliminary ACH Questions for Apple Health MCOs

- Are MCOs obligated to accept any willing provider?
- Who shares risk with MCOs today?
- What proportion of services are reimbursed through FFS vs. capitation?
- How are MCOs preparing to develop integrated networks? Or regional networks?
- How does managed care have to evolve to be an Apple Health plan of tomorrow?
- What will be the critical components of any successful plan in tomorrow's health landscape?
- What concerns do MCOs have about rate setting changes that will occur with integrated managed care?
- Others?

Open Discussion

Useful Resources

Apple Health 2015 Contract:

http://www.hca.wa.gov/medicaid/healthyoptions/Documents/2015_apple_health_contract_jan2015.pdf

Center for Healthcare Quality & Payment Reform – The Payment Reform Glossary:

<http://www.chqpr.org/downloads/PaymentReformGlossary.pdf>

Thank you!