



National Health Policy Forum Session

**“Medicare Advantage SNPs:
A New Opportunity for Integrated Care”**

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Managed Care Models in California

County Organized Health System (COHS)	Geographic Managed Care (GMC)	Two Plan Model (TPM)
Single, local public plan	Multiple commercial plans	One local public plan and one commercial plan
5 plans in 8 counties	2 counties	12 counties
Mandatory enrollment: <ul style="list-style-type: none"> — TANF — ABD — LTC 	Mandatory enrollment: <ul style="list-style-type: none"> — TANF 	Mandatory enrollment: <ul style="list-style-type: none"> — TANF

CalOptima Background

- **Medicaid managed care plan for Orange County**
- **Operates under Federal authority as a Health Insuring Organization (HIO)**
- **Milestones:**
 - **October 1995: went live with TANF population**
 - **February 1996: ABD enrolled, including dual eligibles**
 - **June 1998: LTC/NF added**
 - **July 1998: SCHIP program begins**
 - **March 2001: became provider for limited HCBS services**
 - **October 2005: Medicare SNP starts serving dual members**

CalOptima Delivery System

- **75% of CalOptima Medi-Cal members are in contracted health networks**
 - All TANF members and Medicaid-only ABDs
 - 9 Physician-Hospital Consortia (like PHOs)
 - 2 HMOs (Kaiser and Universal Care)
- **Delegated model: physicians & hospitals take fully capitated risk**
- **Dual eligibles are in CalOptima Direct fee-for-service program**

CalOptima Programs



**California
Department of Health
Services**

Mandatory Enrollment

300,000 Members

**Annual Revenues
\$800 million**



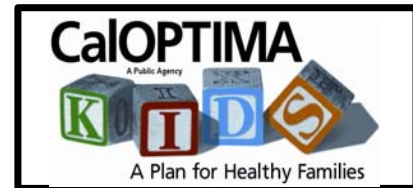
**Centers for
Medicare & Medicaid
Services**

**Voluntary & Passive
Enrollment**

**Current 2005
320 Members**

**Potential 2006
20,000 Members**

**Annual Revenues
\$300 million (est.)**



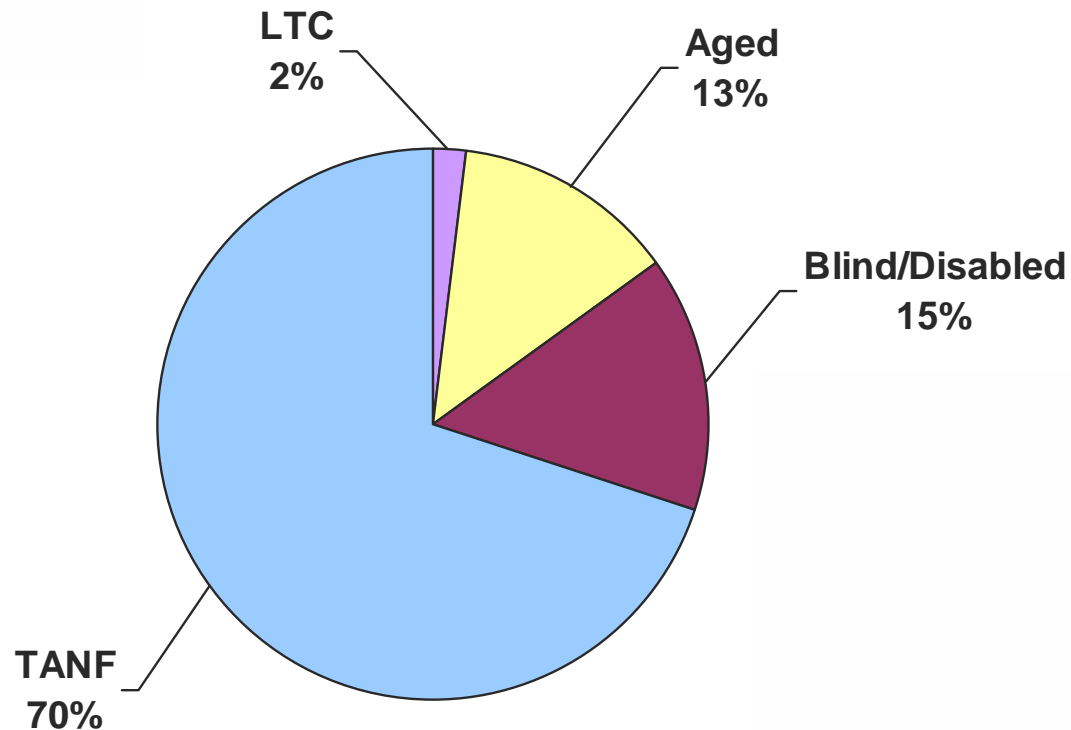
**California Managed Risk
Medical Insurance Board**

Voluntary Enrollment

30,000 Members

**Annual Revenues
\$26 million**

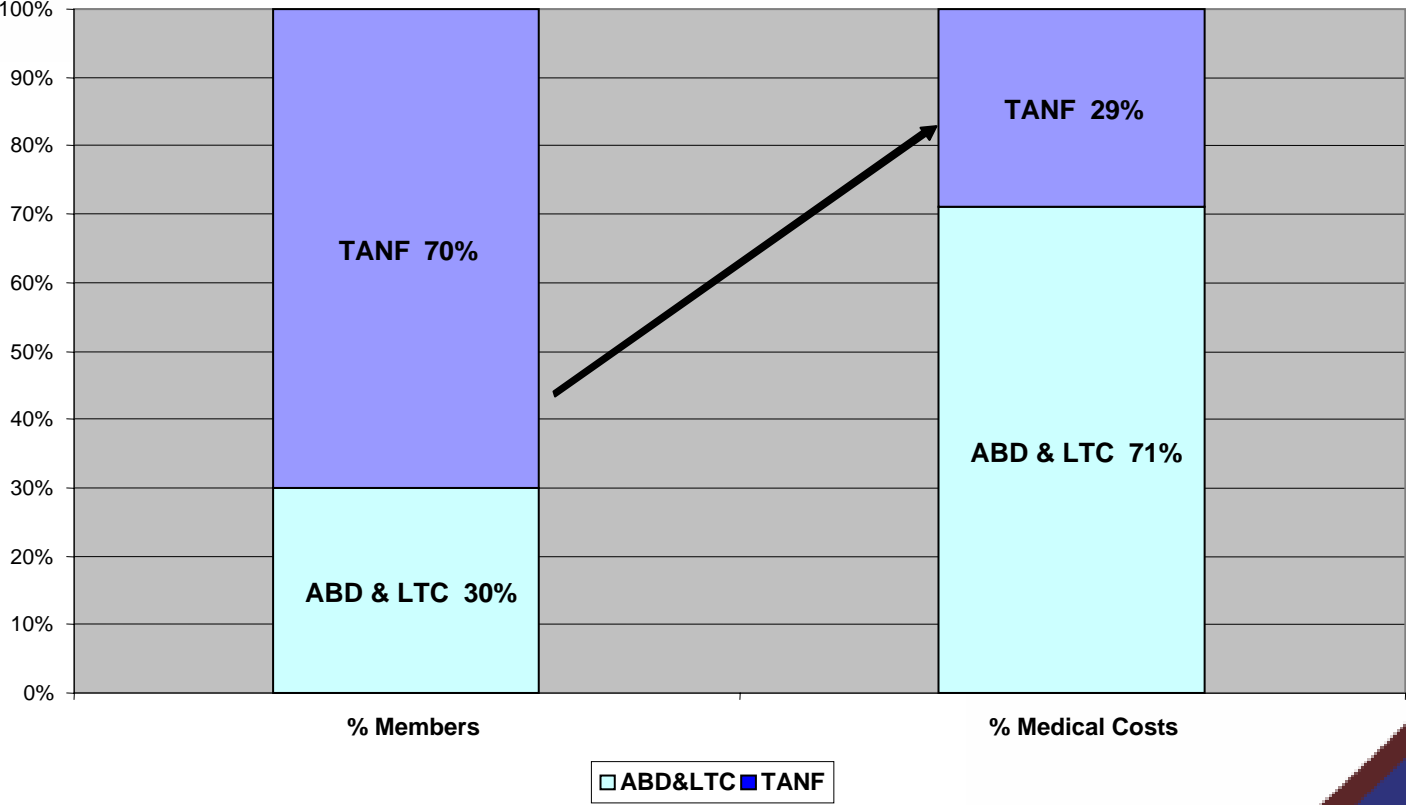
Medicaid Membership by Aid Category



(October 2005)

Medicaid Membership vs. Expenditures (2004)

CalOptima - TANF vs. ABD Medical Cost



2005 Snapshot of Dual Eligibles in Orange County

- **Approximately 55,000 full benefit Dual Eligibles**
 - 5,000 enrolled in Medicare risk plans
 - 50,000 in fee-for-service (FFS) Medicare
 - All 55,000 receive Medicaid wrap-around services from CalOptima
- **Challenges of Different Funding Streams**
 - Coordination of benefits
 - Coordination with providers
 - Lack of consistent communication with members
 - Lack of care management and utilization controls for FFS Medicare duals

Opportunities for Integration

- **Historically:**
 - 2000: began exploration of Medicare M+C option
 - 2001: proposed to State a 1915(c) Home and Community-Based Services Waiver (Texas Star Program look-alike)
 - 2003: MMA enactment provided option for Medicare Advantage Special Needs Plan for Dual Eligibles
- **Future:**
 - Implementation of a comprehensive 1915(c) waiver
 - Acute and Long-Term Care Integration Pilot for Orange County
 - Would provide a single, coordinated delivery system for all acute and LTC services under both Medicaid and Medicare

The First Steps: A Linked Database

- **Contracted with JEN Associates to link Medicare, Medicaid FFS, and CalOptima claims and enrollment data**
 - First Analysis in 2000: 1994-1997 service dates
 - Second Analysis in 2004: 1998-2000 service dates
- **Population separated into:**
 - Community Other
 - Community LTC
 - Institutional LTC

Trending the Data: Case Mix and Costs

	2004	
	Aged	Disabled
Institutional LTC	12% (-)	6% (+)
Community LTC	8% (-)	2% (-)
Community Other	54% (+)	18% (+)
Totals:	74%	26%

CalOptima's Special Needs Plan



Your Health • Your Plan • Your Choice

Options for Dual Eligibles in 2006

If a Dual Eligible stays in Medicare fee-for-service:

**FFS Medicare
(Parts A and B)**

**Medicare Part D
(Prescription Drugs)**

Medicaid

If a Dual Eligible chooses another Medicare Advantage plan:

**Medicare Parts A and B
Medicare Part D**

Medicaid

If a Dual Eligible chooses OneCare:

**Medicare Parts A and B
Medicare Part D
Medicaid**

OneCare Advantage

- **Single organization to coordinate full medical care benefit specifically for Dual Eligibles**
 - Provide Medicare covered services
 - Provide Medicaid wrap-around services
- **“One-stop” for members**
 - Care management and coordination of Medicare and Medicaid services
 - Personal assistance in navigating system
 - Two benefit programs managed through one plan

Passive Enrollment

- CalOptima was one of a small number of plans that were approved by CMS for passive enrollment
- A plan needed to be a Medicaid health plan with dual members, and be approved as a SNP
- Concerns about Part D for 2006 played into decision
- **Passive enrollment process:**
 - During October, SNP mailed CMS-approved letter to Medicare FFS dual members
 - Member had 3 choices: 1) become member of SNP, 2) join another Medicare Advantage plan; or 3) elect to remain in FFS Medicare and select Part D Plan
 - Could make choice by phone, by form, or in person
 - If no active choice was made, the member would be enrolled in the SNP 1/1/06
- **One-time occurrence**
- **Members can change plans or choose to return to fee-for-service Medicare on a monthly basis**

2006 Snapshot of Dual Eligibles in Orange County

	2005	2006
OneCare	500	20,000
Other MA or SNP Plans	5,000	10,000
FFS Medicare (and Part D)	50,000	25,000

Challenges for Medicaid Health Plans that Become SNPs

- **Start-up costs**
- **Need for appropriate case-mix**
- **Adjusting to a new “dance partner”: CMS**
- **Building Medicare knowledge and expertise**
- **Opposition from Medicare FFS physicians**
- **Coordinating Medicare and Medicaid services if no state contract for duals**
- **Medicare grievance & appeals process different**

Challenges for SNPs (continued)

- **Marketing is new for most Medicaid health plans**
- **Competing against Medicare FFS**
- **Competition in the Medicare Advantage world**
- **Need to have medical partnerships with Medicare-risk experienced providers—typical Medicaid delivery system including FQHCs/clinics will be challenged**
- **Risk adjustment is critical for financial viability -- need doctors/medical groups with coding experience**
- **Medicare quality requirements (HEDIS & Disease Mgt.)**

Issues for Policymakers

- **CMS learning to “dance” with new partners**
- **Medicare marketing rules**
- **Flexibility on drug cost sharing**
- **One-time passive enrollment for new SNPs**
- **Passive enrollment for newly eligible duals**
- **Future of plan payment structures**
 - **avoid reductions in MA/SNP payment rates**
 - **will risk adjustment be sufficient for duals?**
 - **will an additional frailty adjuster be necessary?**

Acute and Long Term Care Integration (ALTCI): Fully Integrated Care

- **Pilot program proposed by State for ABD populations in 3 counties:**
 - Two Plan Model (TPM) – Contra Costa
 - Geographic Managed Care Model (GMC) – San Diego
 - County Organized Health System (COHS) – Orange County
- **Coordinate all health care services**
 - Acute care (Medicaid and Medicare)
 - Home and Community-Based Services
 - Long Term Care
- **Why it makes sense for CalOptima**
 - ABDs served in our plan since 1996
 - Have experience beyond acute care services: NFs & MSSP
 - Under development since 2001

CalOptima's Future

A Fully Integrated System of Care

