Medicaid Managed Care for Persons with Disabilities

CHCF and the California Experience

Chris Perrone
Deputy Director, Health Reform and Public Programs

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Overview

- About CHCF
- About Medi-Cal
- What California Did and Why
- CHCF’s Role and Lessons Learned
- Anticipated Impact
- Key Issues for Policymakers
About CHCF

- Private, nonprofit foundation, created when Blue Cross of CA converted from nonprofit to for-profit
- In operation since 1996, offices in Oakland and Sacramento, staff of 52
- Support ideas and innovations that improve quality, increase efficiency, and lower the costs of care
- Approximately $40 million per year in projects and grants
About Medi-Cal

- 7.4 million beneficiaries (#1)
- $50 billion spending (#2)
- Spending per beneficiary 25% less than national average (#51)
- Physician reimbursement averages 56% of Medicare (#47)
- 57% of beneficiaries enrolled in fully-capitated managed care (#22) – but only 15% of program spending

Sources: Enrollment and spending from California DHCS; Physician reimbursement from Urban Institute for CHCF/KFF; Spending per beneficiary from The Lewin Group for CHCF Medi-Cal Facts and Figures and excludes Family PACT beneficiaries; National rankings from KFF statehealthfacts.org.
Medi-Cal Managed Care

- Managed care in 27 of 58 counties
- 19 plans: 6 commercial, 13 locally-governed
- Mandatory for parents and children
- Mandatory for Medi-Cal-only seniors and people with disabilities in 11 COHS counties
- Excludes LTC and mental health services – half of FFS spending – and most specialty care for children with special health care needs
Mandatory Managed Care and SPDs

- Proposed by Governors and rejected by Legislatures several times
- Consumer groups and public hospitals opposed
- Evidence of impact weak
Mandatory Managed Care and SPDs

Why This Time?

- New pot of federal funding to public hospitals
- Enhanced standards, monitoring and performance measurement
- Better relationships among some plans and consumer groups
- Opportunity to advance health reform in California
- No escaping state’s $20 billion operating deficit
CHCF Role

Educate policymakers and program officials:

- Beneficiaries and their experiences
- Evidence from California’s experience
- Experiences in other states
Preventable Hospitalizations (1994-2002)

Rates per 1,000 Medi-Cal Beneficiaries

- Children/parents: 10.5 (FFS), 6.1 (MCO)
- SSI-linked: 65.6 (FFS), 49.6 (MCO)

Source: UCSF, Preventable Hospitalizations Among Medi-Cal Beneficiaries and the Uninsured (December 2007), CHCF.
CHCF Role

Provide technical assistance to state officials:

- Explore policy options
- Engage stakeholders
- Implement policy changes

Provide technical assistance to plans and providers:

- Training and tools
- Improvement collaboratives
CHCF Role

Advance Medi-Cal as effective purchaser:

- Strengthen contract requirements
- Measure performance and public reporting
- Develop incentives for improving quality and outcomes
- Foster collaboration with health plans and with other public and private purchasers
What Have We Learned?

- From consumers:
  - Access and accessibility both important
  - You say “care management,” I hear “barrier”
  - Experiences differ widely

- From health plans:
  - Differences among plans
  - Care management practices not well developed, and complicated by layers of delegation

- From the state:
  - FFS program difficult to manage from Sacramento
  - Incentives muddled by complex financing for hospital care
  - Not always prepared to use TA effectively
## Anticipated Impact

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<th>Immediate</th>
<th>Longer Term</th>
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<tr>
<td><strong>Beneficiaries</strong></td>
<td>Concern; confusion, possible disruption in care</td>
<td>Better access for some; fewer avoidable hospitalizations and readmissions; better outcomes</td>
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<td><strong>Health Plans</strong></td>
<td>More revenue. Challenges include meeting new contract requirements; expanding provider network; Identifying immediate needs of new members and addressing pent-up demand; strengthening member services and care management</td>
<td>More revenue. Successful ones will have stronger care management capabilities and community partnerships</td>
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<td><strong>State</strong></td>
<td>Stretching resources to the max</td>
<td>Budget savings. Greater accountability for quality and cost</td>
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Will Managed Care Improve Access for SPDs?

2007 Medi-Cal CAHPS

% Responded Always/Usually Easy to See Specialist
Key Issues for Policymakers

- Monitor transition
- Measure performance, foster improvement
- Address populations/services left out
- Transform DHCS into data-driven purchaser