

## **Missouri Medicaid to offer Managed Care statewide in 2017**

The State of Missouri will issue a Request for Proposal (RFP) this spring to begin the process of moving Missouri's Medicaid system to a statewide managed care system. Currently, the State of Missouri already operates a managed care system in 54 counties, with the remaining counties receiving Medicaid services through a state-run program. By the summer of 2017, Missouri's managed care system will be operated statewide.

Missourians who are aged, blind or disabled, including those Missourians with developmental disabilities served through the Missouri Department of Mental Health, will not be included in the managed care system and will continue to receive services through the traditional MO HealthNet program.

In September of 2015, a Request for Information (RFI) on managed care was released to allow interested parties an opportunity to provide the State of Missouri with feedback regarding issues related to improving health care quality and increasing the efficiency of health care delivery for low income custodial parents, pregnant women, and children covered by the current 54-county managed care system. In total, 36 responses were received, including: seven from managed care organizations; 11 from providers; seven from associations; three from advocates; four from healthcare IT companies and one response from a managed care organization related to dental care. Those responses included overall recommendations for MO HealthNet requirements, recommendations to increase efforts for system improvement, recommendations to innovate and additional recommendations. The MO HealthNet Division has also reviewed and conferred with several other states regarding their managed-care arrangements and contract provisions.

In accordance with Chapter 34, RSMo and applicable state regulations, procurement authority for state departments generally rests within the Office of Administration's Division of Purchasing. The department initiating the procurement prepares their specifications so that an RFP can be processed, issued and advertised by the Division of Purchasing for competitive solicitation. When the RFP closes, an evaluation committee made up of individuals with relevant subject matter expertise scores the proposals based on the evaluation criteria set forth in the RFP. The bidder(s) with the most total points is recommended for contract award.

The statewide managed care RFP is anticipated to include the following provisions:

- The first two months capitation payment will be delayed and the remaining 12 capitation payments would be proportionally increased so that the total capitation payment will be the same at the end of the first 14 months of the contract.
- A total of three plans awarded statewide.
- The RFP will provide for contracts renewable annually for up to a total duration of five years.
- The new RFP will include a dental benefit in the same manner as the current managed-care contracts.

- In order to increase accountability of managed-care plans receiving the RFP award there will be an increase in MCO performance incentives. The current performance incentive payment is based on a 2.5% capitation withhold. The capitation withhold will be increased to 5%.
- In order to further right-size the market share across the awarded plans the current 60% max market share per plan cap will be lowered to 55%. There will be no change in the current minimum market share of 20%.
- The managed care contracts awarded will also include a provision allowing for Medicaid eligibility expansion, should the General Assembly pass legislation authorizing such expansion.

The anticipated timeline for implementation for Missouri's statewide managed care system is as follows:

**Friday, April 29, 2016**

The RFP and Data Book prepared by the MO HealthNet Division will be made available by the OA Division of Purchasing for competitive solicitation.

**Friday, August 1, 2016**

Bid/proposal period closes. Materials due to the Office of Administration, Division of Purchasing

**July - September, 2016**

Bids will be scored by an evaluation committee made up of representatives from applicable state agencies

**Mid October 2016**

Contracts will be awarded by the Office of Administration.

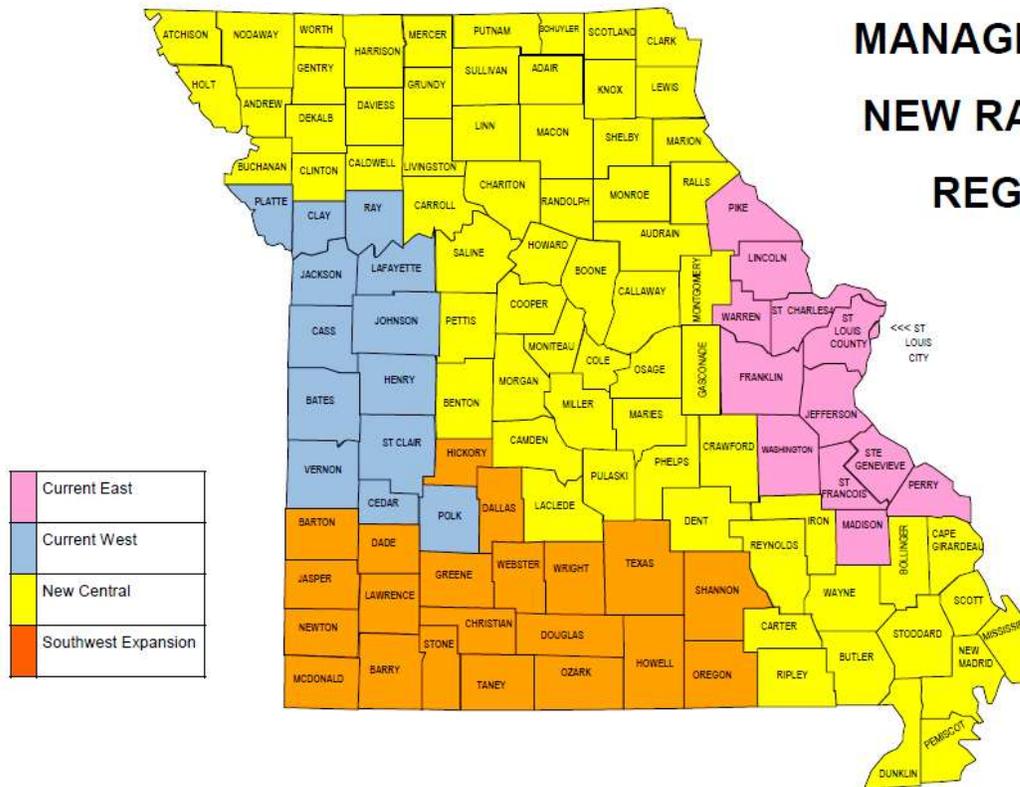
**October 2016 – April 2017**

The companies awarded the managed care contracts will develop their provider networks and begin pre-enrolling Medicaid participants.

**May 1, 2017**

Medicaid services through the statewide managed care system begin.

# MISSOURI MANAGED CARE NEW RATE CELL REGIONS



Current East: Franklin, Jefferson, Lincoln, Madison, Perry, Pike, St. Charles, St. Francois, Ste. Genevieve, St. Louis County, Warren and Washington counties, and St. Louis City

Current West: Bates, Cass, Cedar, Clay, Henry, Jackson, Johnson, Lafayette, Platte, Polk, Ray, St. Clair and Vernon counties

New Central: Adair, Andrew, Atchison, Audrain, Benton, Bollinger, Boone, Buchanan, Butler, Caldwell, Callaway, Camden, Cape Girardeau, Carroll, Carter, Chariton, Clark, Clinton, Cole, Cooper, Crawford, Daviess, DeKalb, Dent, Dunklin, Gasconade, Gentry, Grundy, Harrison, Holt, Howard, Iron, Knox, Laclede, Lewis, Linn, Livingston, Macon, Maries, Marion, Mercer, Miller, Mississippi, Moniteau, Monroe, Montgomery, Morgan, New Madrid, Nodaway, Osage, Pemiscot, Pettis, Phelps, Pulaski, Putnam, Ralls, Randolph, Reynolds, Ripley, Saline, Schuyler, Scotland, Scott, Shelby, Stoddard, Sullivan, Wayne and Worth counties

Southwest Expansion: Barry, Barton, Christian, Dade, Dallas, Douglas, Greene, Hickory, Howell, Jasper, Lawrence, McDonald, Newton, Oregon, Ozark, Shannon, Stone, Taney, Texas, Webster and Wright counties