



# Managed Care

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Managed Care

# MO HealthNet Managed Care

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- HMO style insurance program similar to Missouri's state employee insurance coverage
- Waiver authority granted by Centers for Medicare and Medicaid Services under Section 1915(b) of the Social Security Act

# Overall Goals of Managed Care

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- Assured Network Adequacy
- Enhanced Access
- Quality Requirements
- Budget Predictability

# Federal Legal Authority

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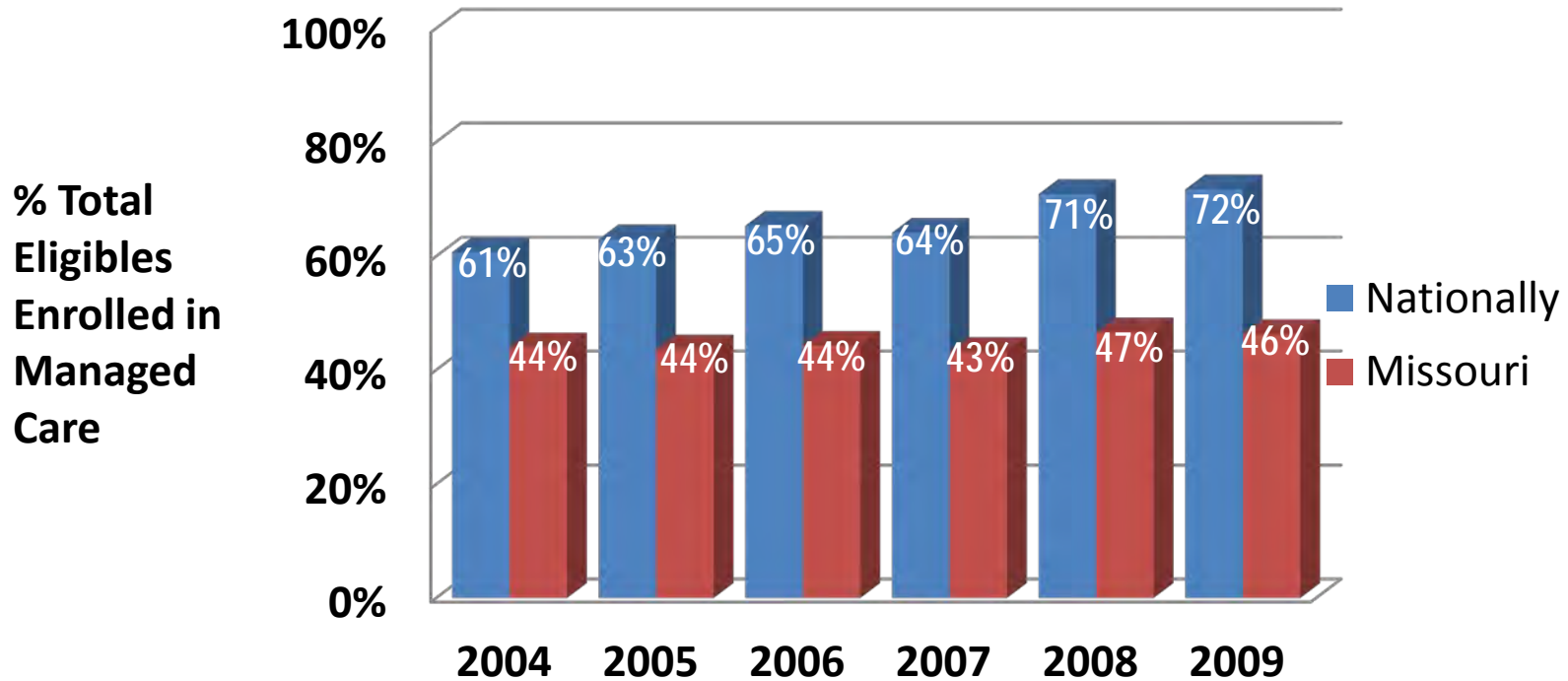
- Federal Law:
  - [1903\(m\)](#) Specifies the conditions under which CMS may make payment for Medicaid managed care services.
  - [1915\(b\)](#) Permits waiving of statewideness, comparability of services, and freedom of choice.
  - [1932](#) Permits States to require most groups to enroll in managed care arrangements; requires specified information to enrollees; added increased consumer protections; requires quality assessment and improvement strategies; and provides for external, independent review.
- Federal Regulations: [42 CFR 438](#) This rule implements the provisions of the BBA of 1997

# State Legal Authority

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- Current Populations: RSMo. 208.166
- Provides authority to purchase medical services from health plans
- Aged, Blind and Disabled: RSMo. 208.950.4
  - Specifically prohibits mandatory “risk-bearing coordination plans”

# National Trends

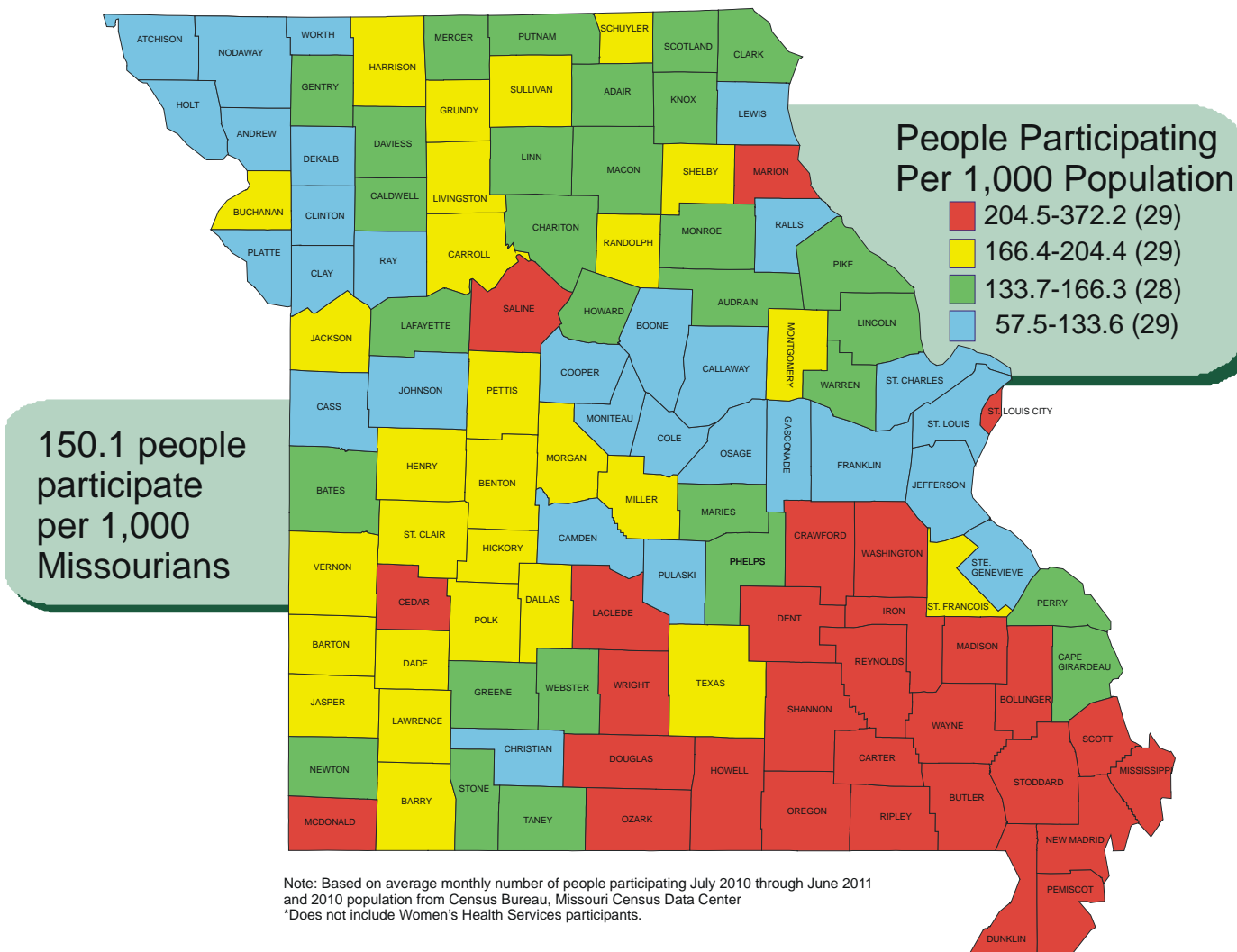


# National Trends

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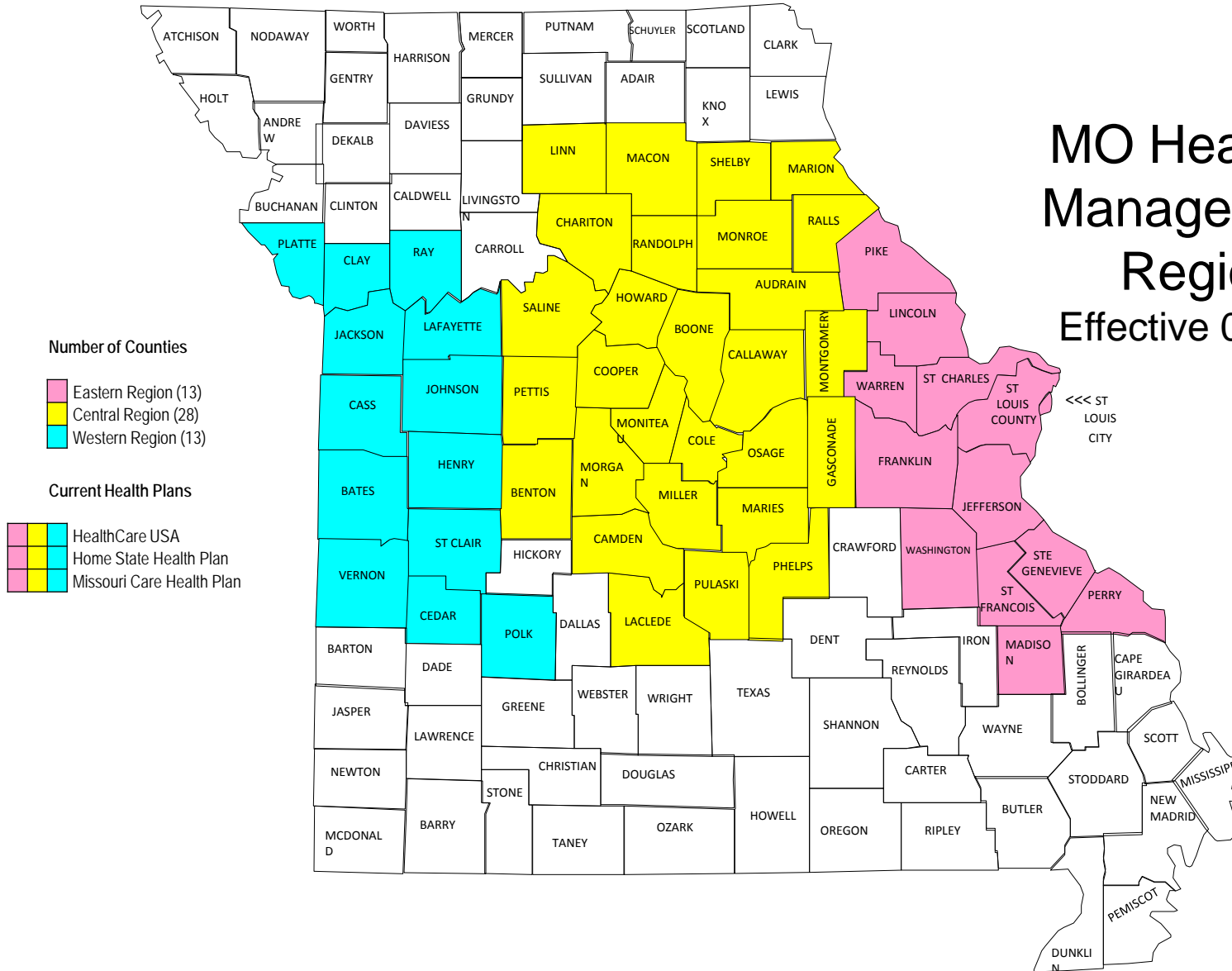
- Huge increase to MCO's
  - Florida, Texas, California, New Jersey, New York
- Increases in populations served
  - Acute Care
  - Long Term Care Services
  - Aged, Blind, Disabled
  - Elderly

# SFY-2011 MO HealthNet Participation per 1,000 Population (899,113\* Enrollees)





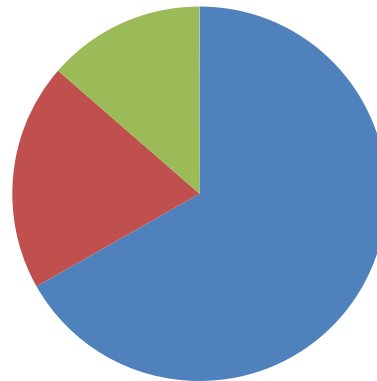
# MO HealthNet Managed Care Regions Effective 07/01/12



# East Region

205,511 enrollees as of 07/27/12

- *HealthCare USA*
  - 137,268 enrollees
- *Missouri Care*
  - 40,292 enrollees
- *Home State*
  - 27,951 enrollees



■ HCUSA  
66.79%

■ MO Care  
19.61%

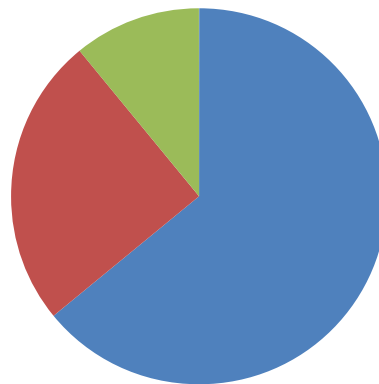
■ Home  
State  
13.60%



# Central Region

80,490 enrollees as of 7/27/12

- *HealthCare USA*
  - 40,257 enrollees
- *Missouri Care*
  - 36,517 enrollees
- *Home State*
  - 3716 enrollees



■ HCUSA  
50.01%

■ MO Care  
45.37%

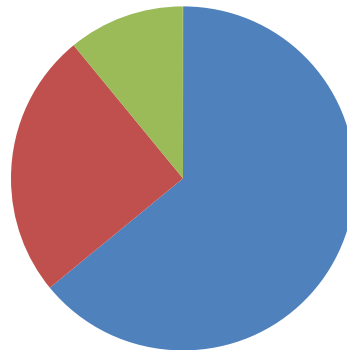
■ Home  
State  
4.62%



# West Region

134,227 enrollees as of 7/27/12

- *HealthCare USA*
  - 89,333 enrollees
- *MO Care*
  - 27,860 enrollees
- *Home State*
  - 17,034 enrollees



- HCUSA  
66.55%
- MO Care  
20.76%
- Home  
State  
12.69%



# MO HealthNet Managed Care

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- Offered in certain areas of the state
- Covers certain populations
- Is mandatory for populations covered
  - With exceptions
    - » Individuals receiving SSI;
    - » Foster care
- Obtain medical care through the managed care health plans
- Enrollment activities performed by contracted broker



# Managed Care Populations Covered

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## Mandatory Groups

- MO HealthNet for Families
- MO HealthNet for Pregnant Women and Newborns
- Refugees
- MO HealthNet for Kids
- Children in State Care and Custody
- Children's Health Insurance Program kids

## Excluded Populations

- Aid to the Blind and Blind Pension Eligibles
- Permanent and Totally Disabled Individuals
- Individuals Eligible for Medicare and Medicaid (dual eligibles)
- Nursing Facility Residents



# Benefits and Services

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Enrollees receive the same scope of services that the fee-for-service program offers. Examples:

- Hospital
- Physician
- Emergency medical services
- Family Planning Services
- Dental
- Optical
- Personal Care
- Behavioral Health Services

Services provided on a fee-for service basis outside of the capitation rate (carved out) include:

- Pharmacy
- Transplants



Information about the managed care program, including a complete list of benefits and exceptions, can be found on-line at <http://dss.mo.gov/mhd/mc/index.htm>

# Enrollment Broker

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- Provides each potential enrollee with information on the Managed Care Program, including:
  - Benefits
  - Health plans in their area of the state
  - How to access the primary care provider listing
- Toll free enrollment help line available 8:00 am to 5:00 pm, Monday through Friday.





# How State Pays for Services

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## Managed Care

- Capitated Rate
- Pay Once a Month
- Plans at risk for utilization

## Fee-for-Service

- Pay all claims submitted
- Based on fee schedule
- State at risk for utilization

# CMS Requirements

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- Rates must be actuarially sound
- 42 CFR 438.6 defines actuarially sound rates:
  - Performed by Certified Actuaries
    - Missouri contracts with Mercer Consulting
    - Expert actuary for many states
  - Rates are neither excessive nor inadequate

# CMS Requirements

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- Mercer must apply 3 primary elements when setting rates:
  - Rates driven from Medicaid population, not commercial
  - Ensures integrity of the data set, and
  - Establish specific rate cells

# Current Monthly Rates by Rate Cell

		Central	Eastern	Western
COA	Rate Cell			
4 OSJC	0 TO 20 M & F	\$145.36	\$135.70	\$188.00
4 JC	0 TO 20 M & F			\$188.84
5	0 TO 6 M & F	\$139.51	\$150.61	\$173.99
5	7 TO 13 M & F	\$112.66	\$113.36	\$144.74
5	14 TO 18 M & F	\$173.63	\$145.00	\$201.01
	Delivery*	\$3,878.80	\$5,358.46	\$3,721.06
	NICU*	\$134,853.75	\$168,545.94	\$125,899.92

•Per Delivery and NICU stay, not a monthly rate.



# Current Monthly Rates by Rate Cell

		Central	Eastern	Western
COA	Rate Cell			
1	NEWBORNS	\$611.65	\$709.49	\$648.60
1	1-6 M & F	\$131.31	\$134.02	\$159.36
1	7-13 M & F	\$107.20	\$95.95	\$126.81
1	14 TO 20 F	\$242.88	\$195.83	\$249.24
1	14 TO 20 M	\$155.08	\$121.96	\$156.32
1	21 TO 44 F	\$373.64	\$307.48	\$353.09
1	21 TO 44 M	\$266.83	\$199.07	\$226.11
1	45+ M & F	\$385.24	\$348.94	\$365.88

# CMS Requirements

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- Rate Cells are developed by:
  - Eligibility Category,
  - Age,
  - Gender,
  - Locality/region

# Encounter Data

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- CMS requires claims level data
- Must be submitted by all health plans
- Encounter claims are processed by the MMIS system
- Health plan and State claims processing systems are different
- Interfacing with MMIS Legacy system is difficult

# Current Contracts

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- Rebid occurs every three years
- Current plans
  - HealthCare USA (Coventry)
  - Home State Health Plan (Centene)
  - Missouri Care Health Plan (Aetna)
- Budget includes \$1.13 billion for managed care (non-CHIP) and \$76 million for CHIP.



# 2012 Contract

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- New Contracts began July 1, 2012
- Limited to 3 health plans per region
  - Reduces program costs
  - Increases financial viability of selected health plans
  - Promotes uniformity of service delivery strategies
  - Allows new health plans to have sufficient covered lives
  - Member benefits from stronger network and referral strategies

# Key Contract Dates

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- RFP Released – November 1, 2011
- Pre-Proposal Conference -- November 10, 2011
- Date of Award – February 17, 2012
- Open Enrollment Period – April 19, 2012 thru June 16, 2012
- Contract Start Date – July 1, 2012



# 2012 Contract Changes

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- Enhance service delivery
  - new monitoring provisions to assure access, quality, and patient-centered services
    - lead case management,
    - enhanced case management,
    - enhanced transition of care requirements, and
    - concurrent care for children in hospice.
- Increased oversight of subcontracted providers
  - requires health plans to pay incentive payments to providers that adopt and use certified electronic health record technology.
- Risk Adjusted Rates beginning 1-1-13



# Quality Provisions

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- Service Accessibility Standards
  - Travel Distance
  - Appointment Standards
  - Prior Authorization Standards
- Performance Standards
  - EPSDT
  - HEDIS
- Performance Improvement Projects