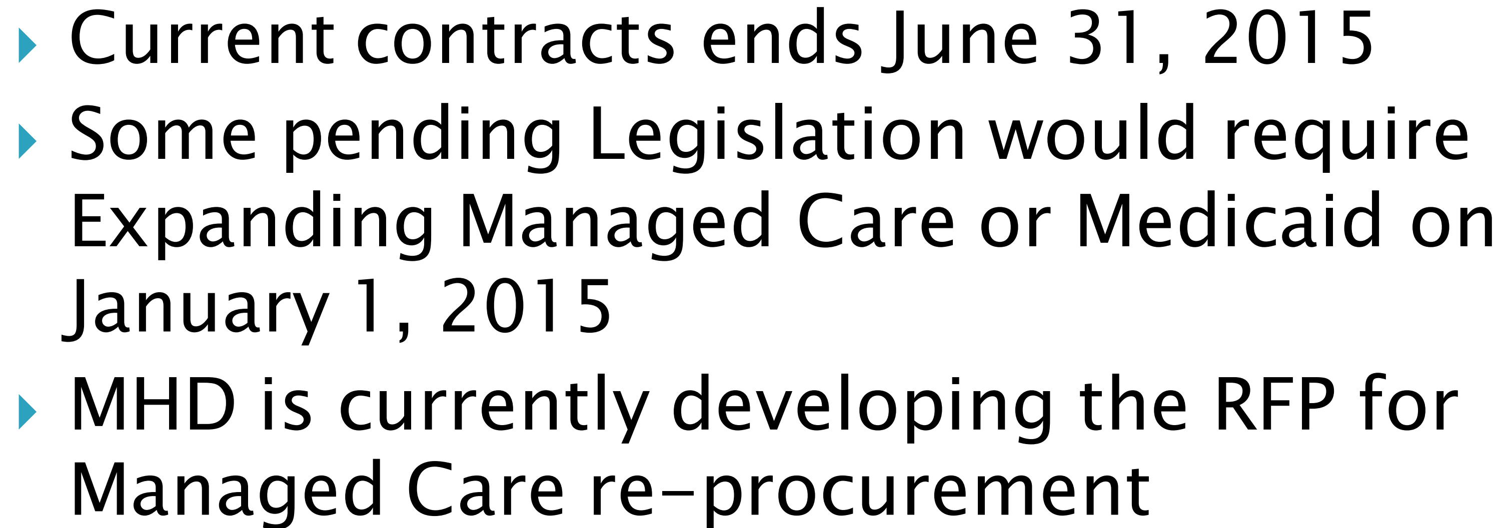
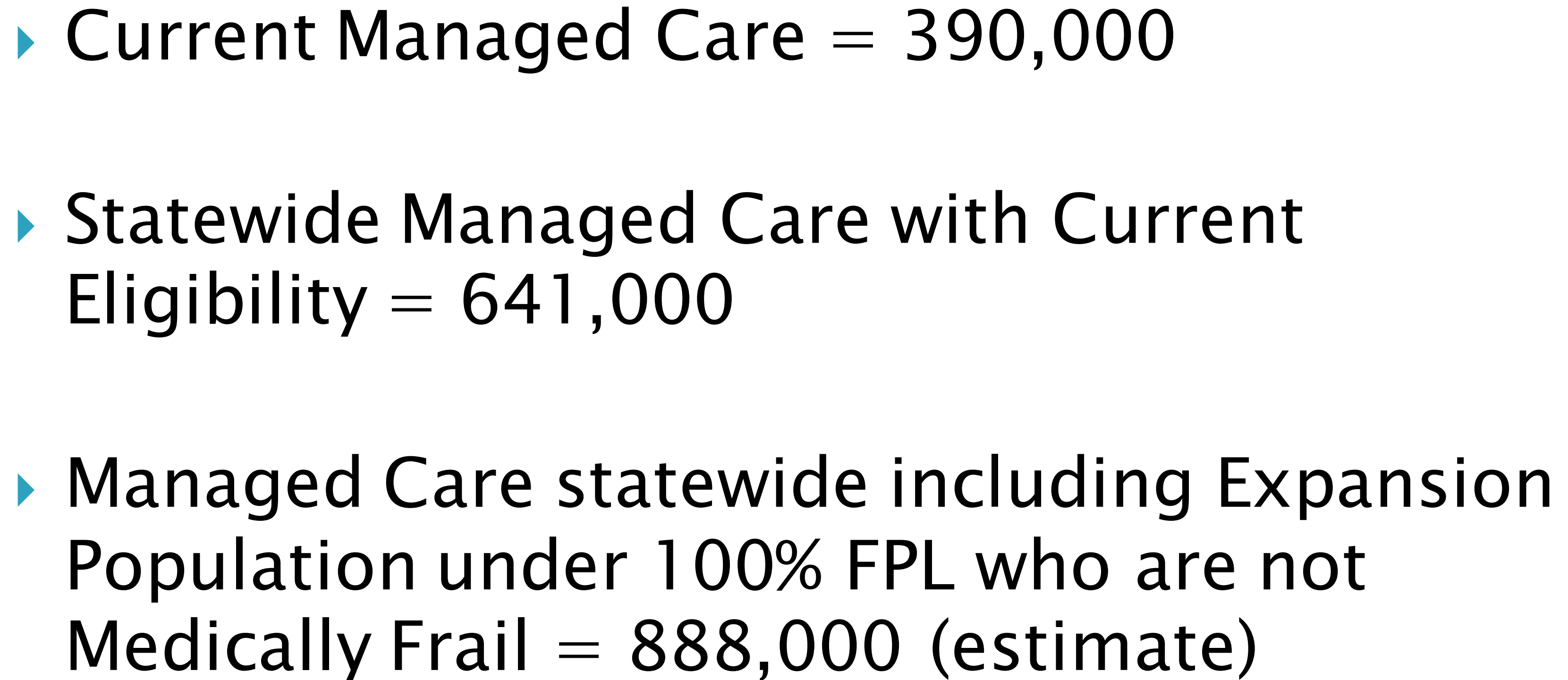
The Next Managed Care
Procurement

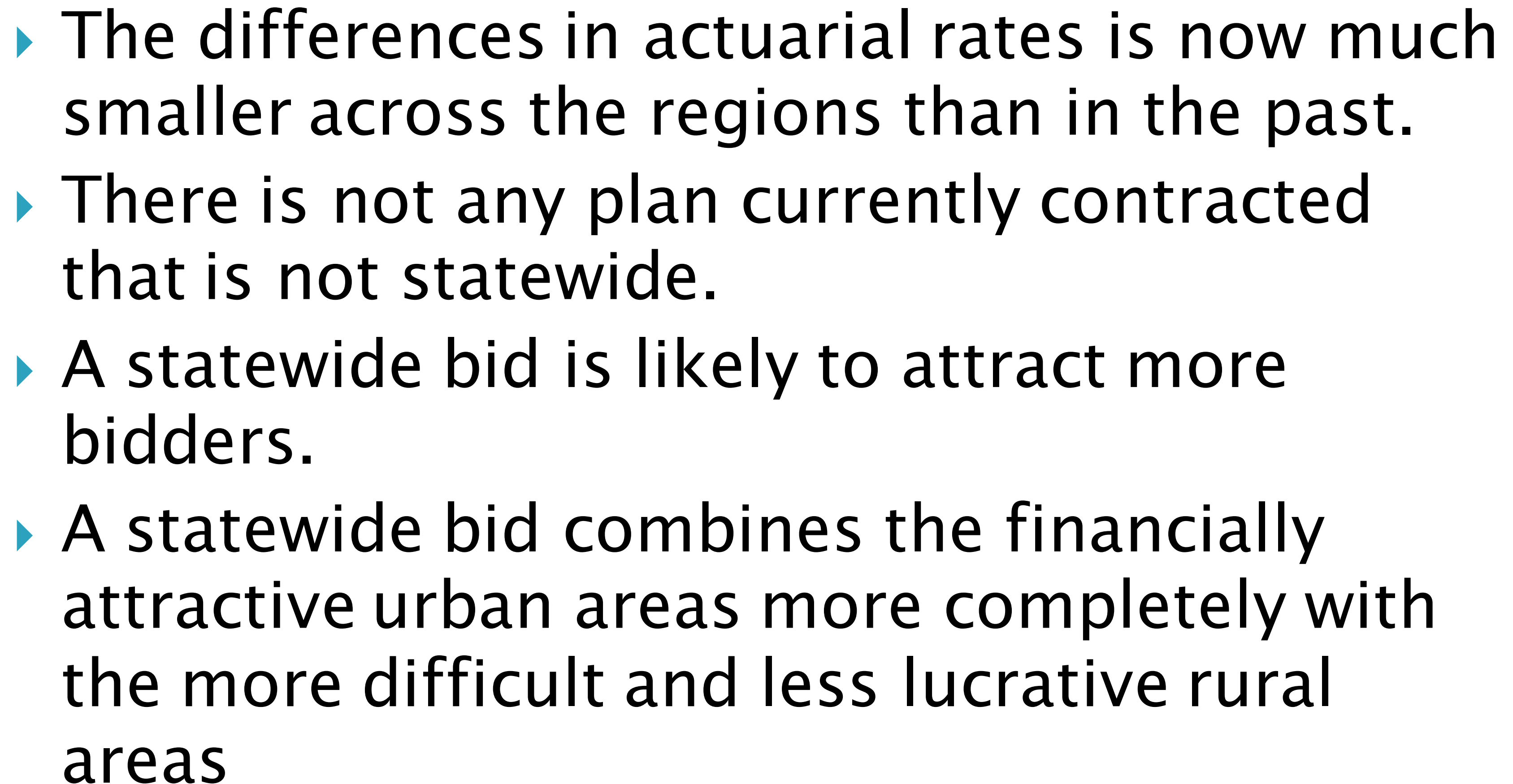
Time Frames



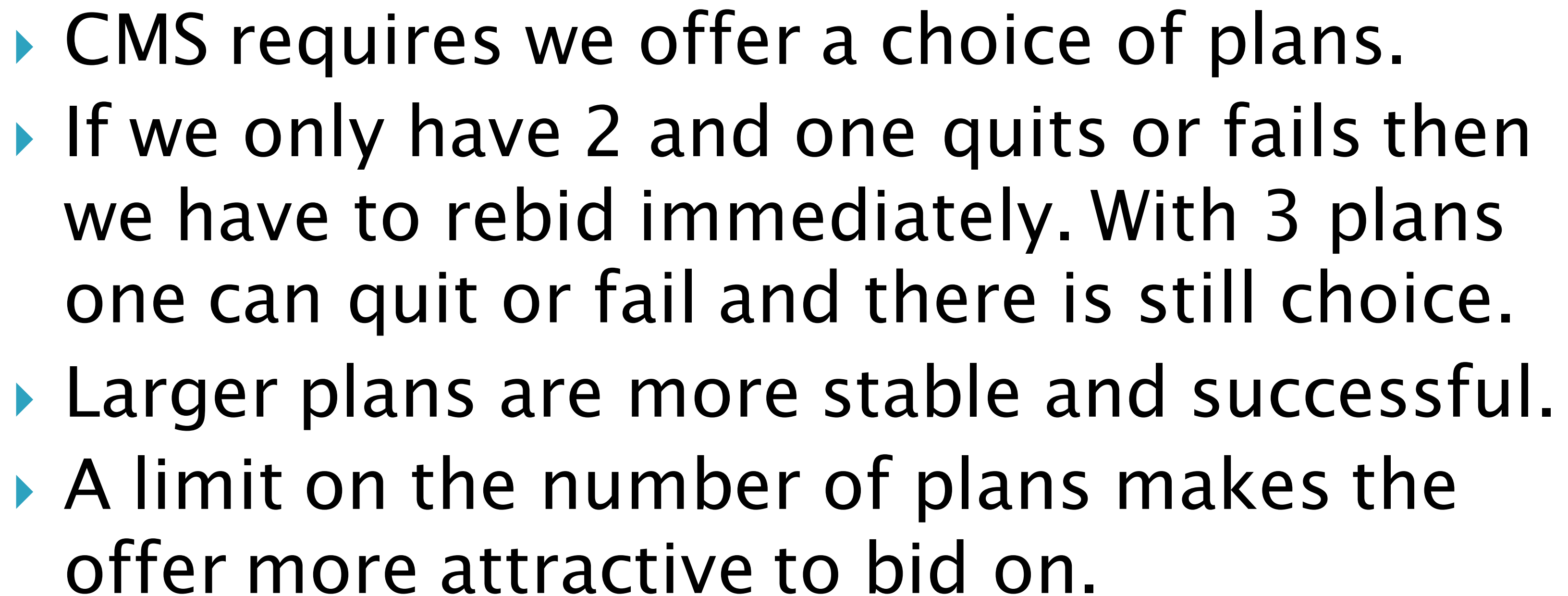
Size Considerations



Option – Bid Statewide Without Regions



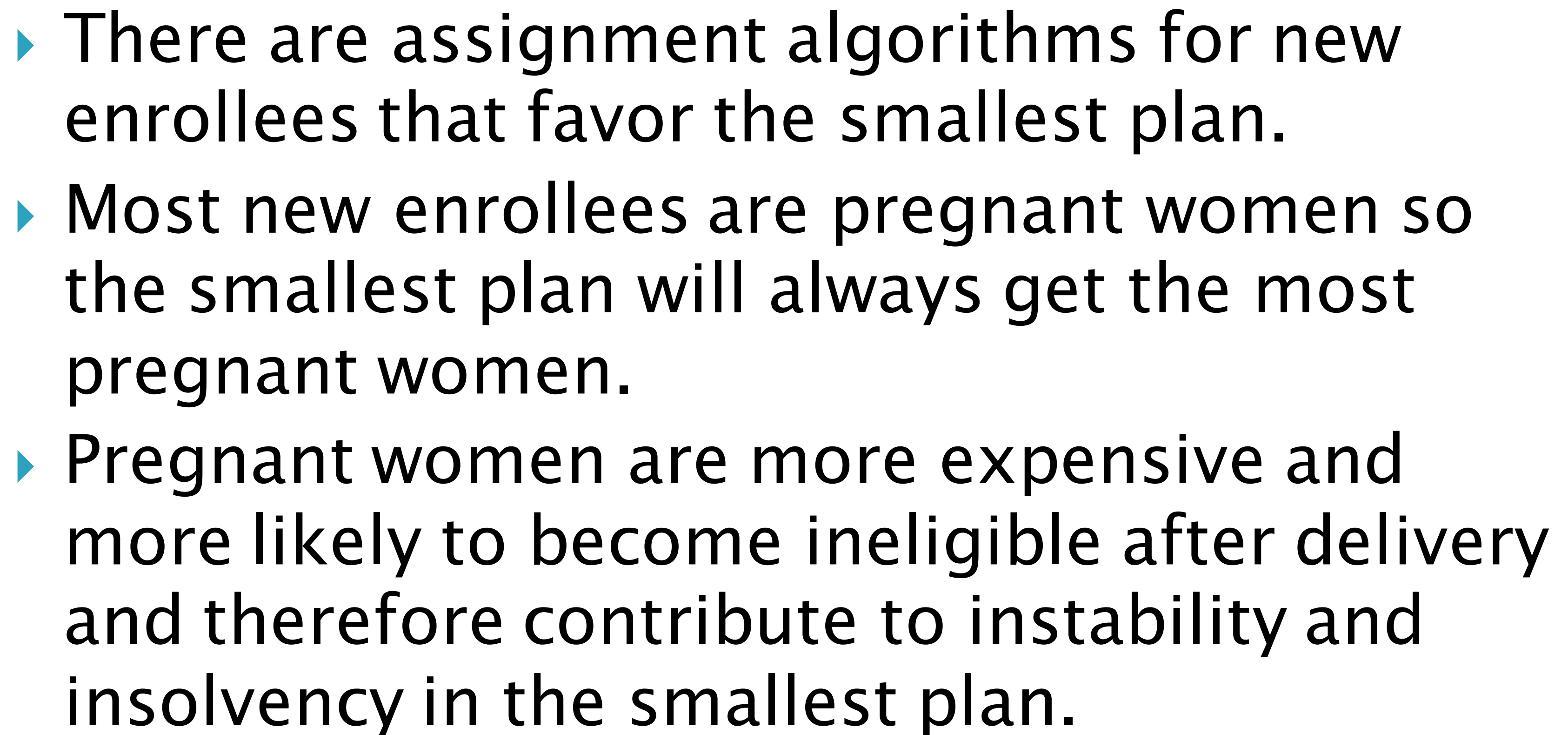
Option – Limit Number Plans Awarded to Three or Increase to Four



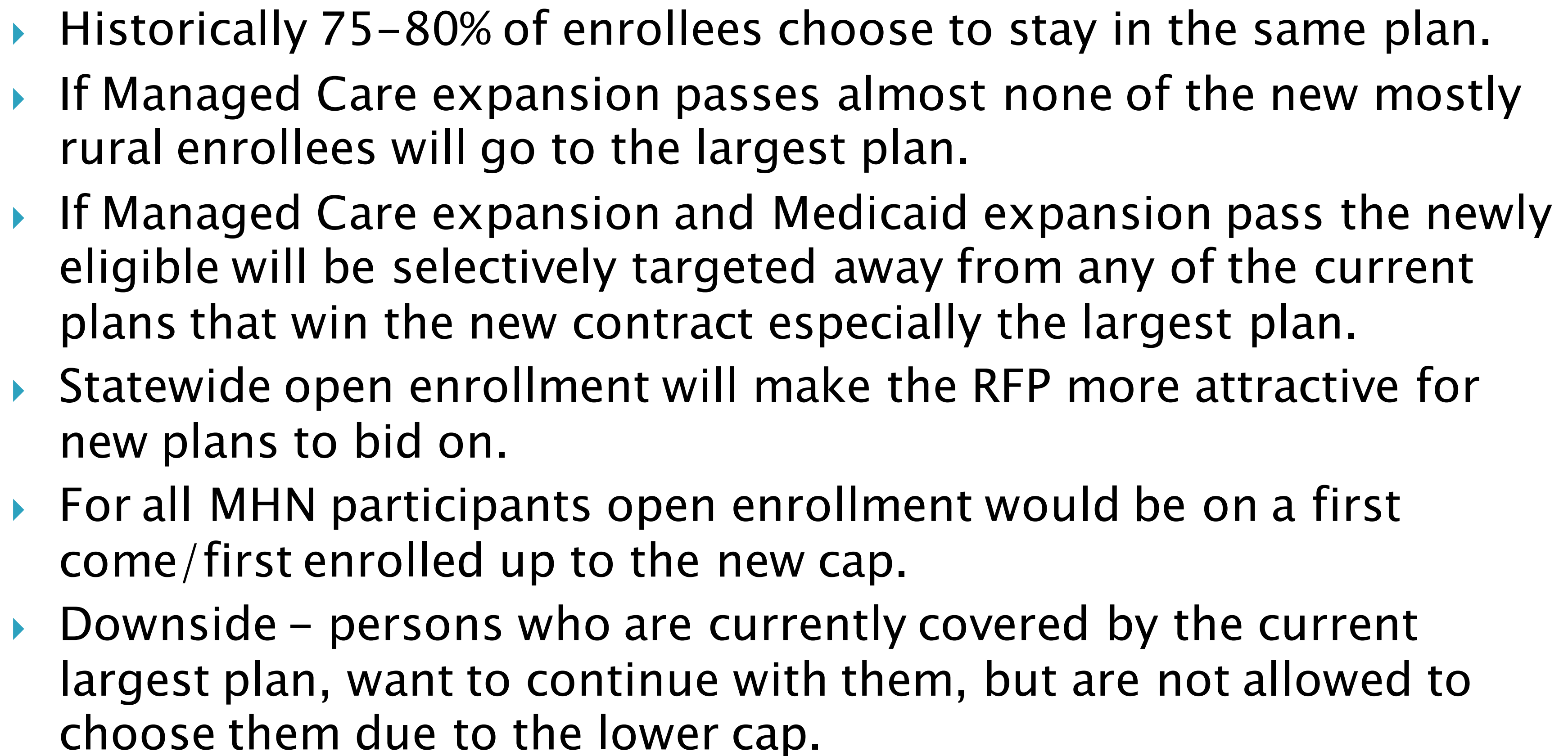
Considering Lowering the Current 65% Max Market Share Per Plan Cap and Institute a Minimum Size Cap

- The current 3 plans Market share are:
  - US Healthcare 61%,
  - MoCare 24%,
  - HomeState 15%.
- Small market share makes it difficult to be profitable and less actuarially stable. A lower max market share cap will increase the minimum plan size.
- Lowering the max. market share cap will make the RFP more attractive for new plans to bid on.
- We are modeling a new max. cap in the 50% range.

Considering Creating a Separate Rate Cell for Pregnant Women



Considering Statewide Open Enrollment



- Historically 75-80% of enrollees choose to stay in the same plan.
- If Managed Care expansion passes almost none of the new mostly rural enrollees will go to the largest plan.
- If Managed Care expansion and Medicaid expansion pass the newly eligible will be selectively targeted away from any of the current plans that win the new contract especially the largest plan.
- Statewide open enrollment will make the RFP more attractive for new plans to bid on.
- For all MHN participants open enrollment would be on a first come/first enrolled up to the new cap.
- Downside – persons who are currently covered by the current largest plan, want to continue with them, but are not allowed to choose them due to the lower cap.

Option – Carve Out Dental and Bid it Separately

- Currently all 3 managed care plans carve out dental to the same vendor.
- It will be more efficient for MHD to crave it out and bid it directly.
- Combining the 3 MC plan groups with any remaining FFS dental covered groups will result in a larger population bid which will be more attractive for the Dental MC vendors to bid on.
- Several other states bid their dental benefit as a carve out.
- Holding the dental contract directly will allow new MHD Dental Director to work directly with the dental plan to improve access to and quality of dental care.
- We plan to bid either:
  - Two Dental Plans or;
  - A single statewide managed care dental plan, any MHN participant who doesn't want a managed dental benefit could choose FFS dental instead.