

# Medicaid Managed Care



Senate Health & Long-term Care Committee

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# What is Medicaid Managed Care?

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- ▶ **Definition:** a health care delivery system organized to manage cost, utilization, and clinical and service quality
- ▶ **How:** Medicaid managed care provides for the delivery of Medicaid health benefits through contracted arrangements
- ▶ **Why:** Improvement in health plan performance, health care quality, and outcomes are key objectives of Medicaid managed care



# Fee-for-Service vs. Managed Care

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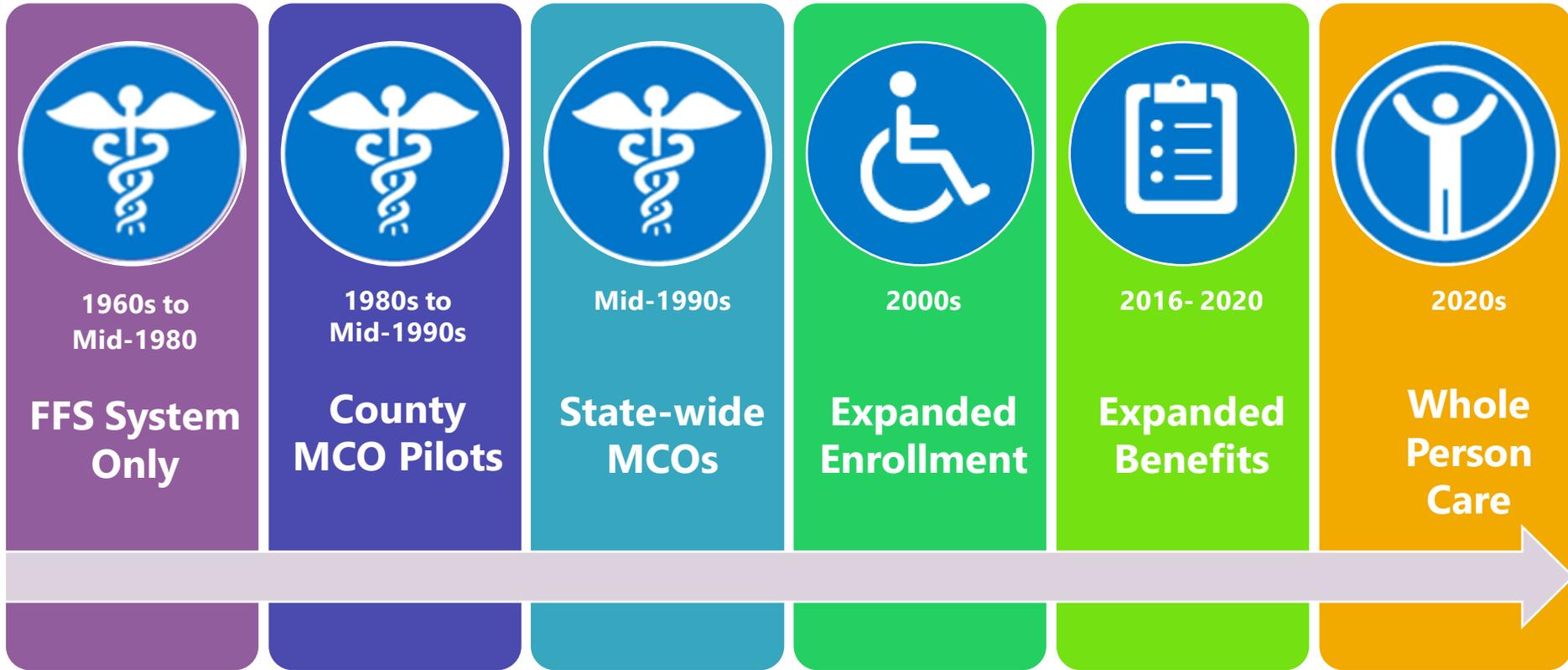
Historically, **Fee-for-Service (FFS)** has been the common approach taken by state Medicaid programs.

- ▶ In a Fee-for-Service model, health care services are paid for as individual units of service; every type of service has a pre-defined rate.
- ▶ This is an a la carte approach that emphasizes quantity of care over quality.

Today, most states – including Washington – are embracing a **Managed Care** model of health care delivery.

- ▶ Under such models, a state Medicaid program contracts with private managed care plans (MCPs) to provide health care coverage to beneficiaries. The state then pays an MCP a per member per month/capitation payment.

# Timeline to Integrated Managed Care



# Medicaid Managed Care – Washington (cont.)

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- ▶ 1.8 million Washingtonians enrolled in Apple Health (Medicaid) and approximately 86.6% are enrolled in managed care.
- ▶ Five Medicaid Managed Care Plans are contracted with the state to deliver physical and behavioral health
  - ▶ Molina Healthcare of Washington, Community Health Plan of Washington, UnitedHealthcare, Coordinated Care, Amerigroup
- ▶ Coordinated Care also manages care for children involved in the foster care system statewide



# Integrated Managed Care is now statewide

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- ▶ Last three regions implemented IMC January 1, 2020
- ▶ Most Medicaid Clients are enrolled:
  - ▶ Medicaid only clients receive full medical and behavioral health benefits through managed care
  - ▶ Dual-eligible clients receive behavioral health benefits through managed care
  - ▶ American Indian/Alaska Native can opt out

# Goals of Medicaid Managed Care

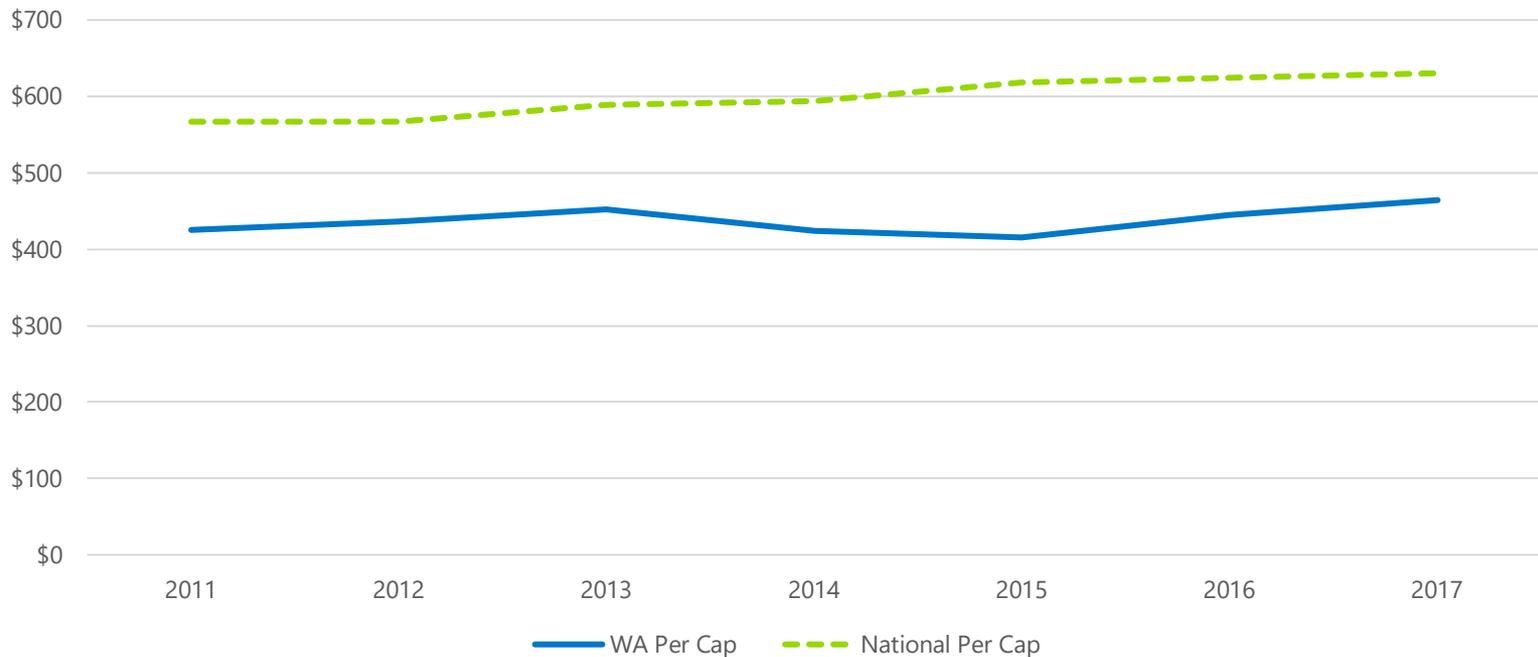
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- ▶ Improve access to care
- ▶ Test new ways of purchasing health care
- ▶ Achieve predictability for spending: “bend the trend”
- ▶ Improve quality
- ▶ Improve accountability



# MC Controls Growth in Spending

WA Per Cap has remained lower than national average



# Role of Managed Care Organizations in Washington

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- ▶ Facilitate care management
- ▶ Assure clinical and service quality
- ▶ Build provider networks
- ▶ Engage & partner with communities
- ▶ Leverage data and technology
- ▶ Monitor & maintain compliance

# Care management

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## ▶ Utilization Management

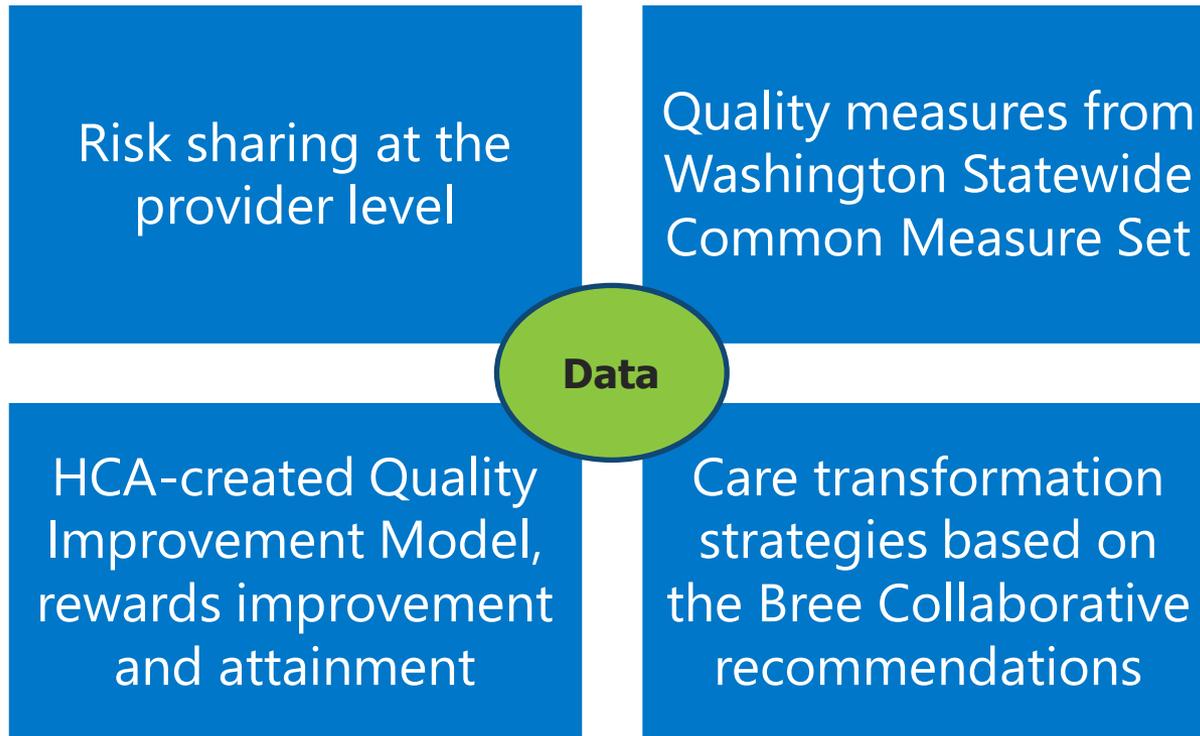
- ▶ Right Care: Medically Necessary
- ▶ Right Time: Pursue Appropriate lower level interventions first
- ▶ Right Provider/Right Care: Pay for quality/performance and Evidence Based Practices

## ▶ Case Management for High Needs Members

- ▶ Complex case management, care coordination, disease management, and health education
- ▶ Health Homes as example of strong community based care management

# Common elements in HCA's new models of care

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# Whole-person care

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## ▶ Patient experience

- ▶ “No wrong door” to care, seamless experience, higher satisfaction, stigma reduced, greater likelihood of needs being identified and met

## ▶ Clinical outcomes

- ▶ Improved outcomes for both physical and behavioral conditions when care is integrated

## ▶ Costs

- ▶ Clinical integration reduces overall costs of care

## ▶ Provider experience

- ▶ Higher clinician satisfaction in integrated settings

# Better health, better value

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## ▶ **Practice transformation:**

- ▶ Population health (focus on health outcomes)
- ▶ Whole-person care (body, mind, teeth, etc.)

## ▶ **Financial oversight and new models of purchasing:**

- ▶ Rigorous and regulated managed care rate development
- ▶ Value-based payment

## ▶ **Medicaid Transformation:**

- ▶ MCOs partner with the community to address the most challenging patients
- ▶ MCOs shift from traditional medical model to whole person care and social determinants of health

# Questions?

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