

CCHHS Strategic Planning Presentation: CountyCare Health Plan

Prepared for: CCHHS BOD

Steven Glass, Executive Director, Managed Care

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Payor Milestones

Early 1900's

- 1929: Precursor to Blue Cross Health Plan formed.
- **1935: Social Security Act**, includes Maternal & Child Health grants.
- **1935-36: National Health Survey assesses health and underlying social and economic factors affecting health.**

Mid 1900's

- 1960: Precursor to Medicaid: federal funds to states for medical care to the poor and disabled begins.
- 1964: Civil Rights Act passes.
- **1965: Medicare and Medicaid**
- 1965: Precursor to FQHCs established.
- **1967: EPSDT** benefits added to Medicaid.

Late 1900's

- 1981: DSH payments established.
- **1983: Diagnostic Related Groups (DRGs)** as prospective payment system for hospitals.
- **1986: EMTALA**
- **1986: Medicaid expansion to infants, young children and pregnant women up to 100% FPL**

1990s

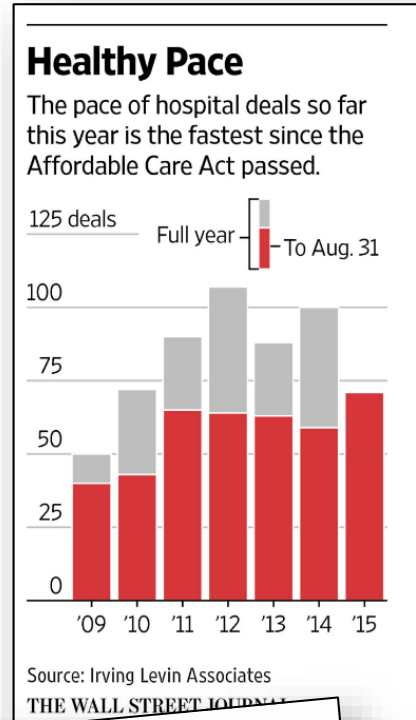
- **1990: Mandatory Medicaid for kids 6-18**
- 1990: NCQA formed to accredit health plans
- 1993: VFC starts
- **1996: HIPAA**
- 1996: Medicaid coverage banned for legal immigrants within first 5 years.
- **1996: Mental Health Parity Act**
- **1997: S-CHIP block grants**

2000-2016

- **2000: Breast & Cervical Cancer Treatment Act**
- 2002: Health Center Growth Initiative
- 2005: Deficit Reduction Act impacts Medicaid
- **2006: Mass. creates universal coverage**
- 2006: Medicare Part D starts
- **2010: Patient Protection & Affordable Care Act (ACA)**

Today's Evolving Healthcare Market

Provider Consolidations	Advocate/North Shore Northwestern/Cadence/KishHealth/Centegra Adventist/Alexian
Payor Consolidations	Aetna/Humana Anthem/Cigna Medicaid Accountable Care Entities/Coordinated Care Entities/Managed Care Entities
Provider/Payor Partnerships	Rush/Cigna BCBS-IL ACOs/Advocate, Independent Physicians ACO of Chicago, Northwest Community Healthcare, Illinois Health Partners



THE WALL STREET JOURNAL

Health-Care Providers, Insurers Supersize

Five years after the Affordable Care Act helped set off a health-care merger frenzy, the pace of consolidation is accelerating, transforming the medical marketplace into a land of giants.

- WSJ, 9/21/2015

CRAIN'S
CHICAGO BUSINESS

Print Story Printed from ChicagoBusiness.com

Rush, Cigna hatch deal to boost patient care

By Kristen Schorsch May 02, 2016

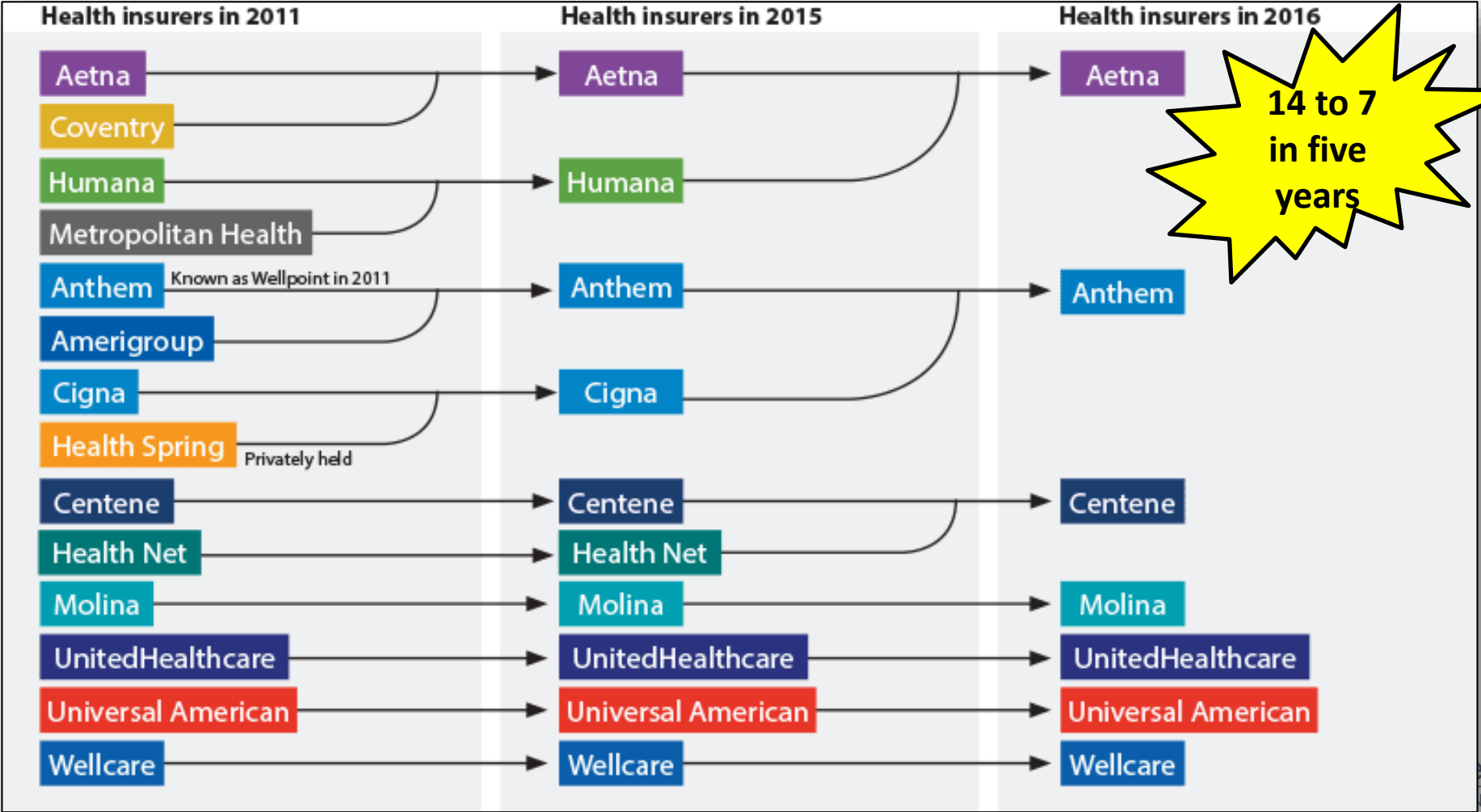
Rush Health and Cigna have forged a deal gaining steam around the country: paying doctors to take better care of patients while spending less.

It's a tough feat keeping track of people unnecessarily racking up mileage in the ER or making sure they take their medications on time. But if Rush can hit certain quality measures and cut medical costs while doing so, they can essentially get a financial bonus from Cigna.

The arrangement also gives Rush a coveted peek into Cigna data on its patients that shows when they see...

Planning: CountyCare
May 19, 2016

Consolidation of Publicly Traded Plans

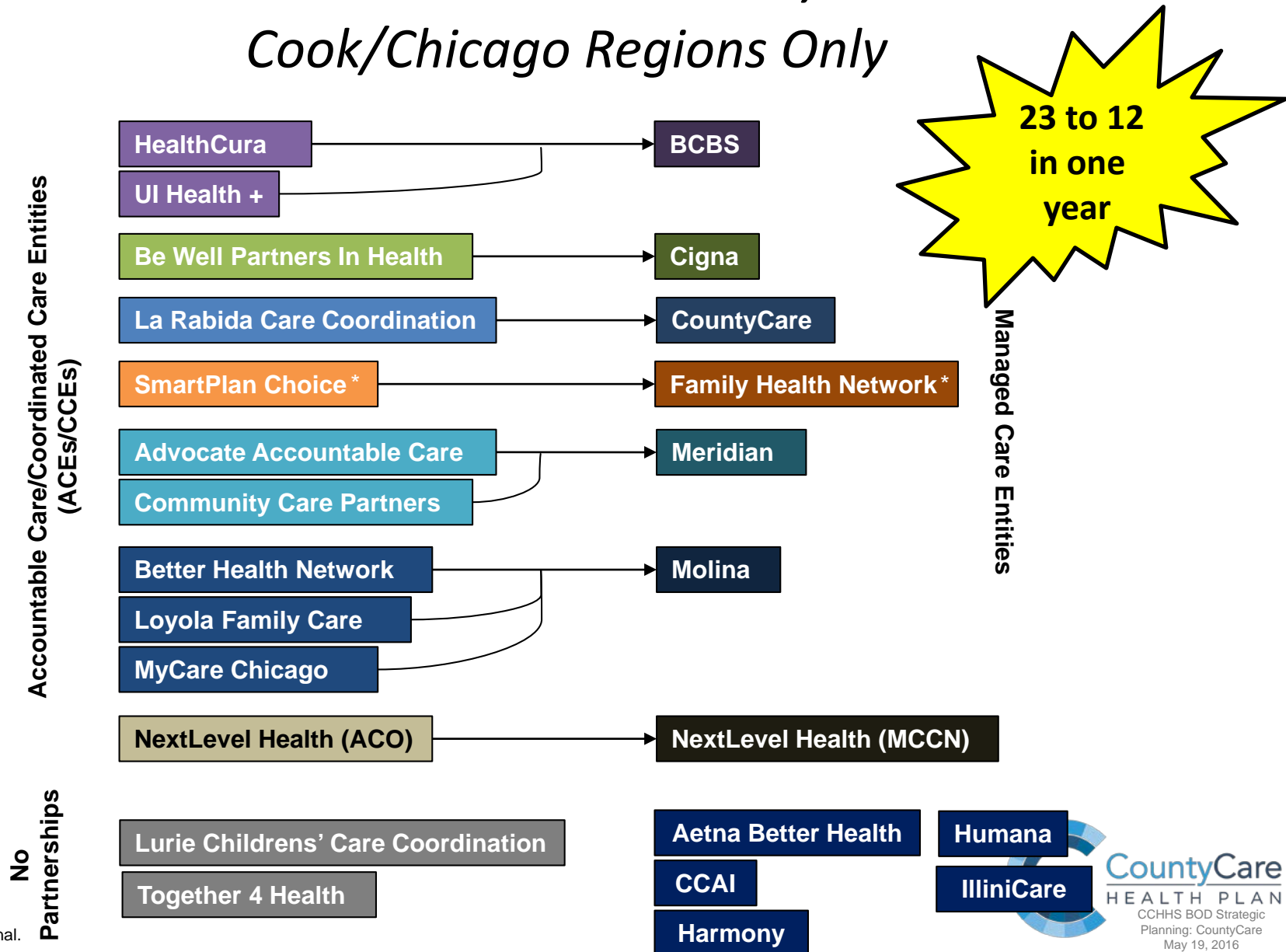


Source: Bloomberg Intelligence

<http://www.managedcaremag.com/archives/2015/9/new-era-mega-plans>

IL Medicaid Consolidation, 2015-2016

Cook/Chicago Regions Only



*Acquisition not yet final.

Unique Challenges for Illinois Medicaid

- Lack of State Budget
 - IL Medicaid Redetermination Project
- Immature managed care program model
- No carve-outs; All-in benefits
 - Unique among states to include LTSS & LTC
- Outdated infrastructure to support managed care needs
- Evolving understanding of covered benefits
 - Especially substance use/DASA services

What does this mean for CountyCare?

- Big shifts in industry & regulations require vigilance to understand impact on service delivery and health plan requirements
 - Assessments of network, reimbursements
- Size is essential to competing & influencing
 - Limited organic growth in IL Medicaid market; Three main options:
 1. Merger/acquisitions (large growth)
 2. Service line expansion (medium)
 3. Service area expansion (limited)
 - Need scale of enrollment to fulfill community obligations (i.e. ‘big enough to matter’)
- Innovation is key to long-term success

Different Levers of Control

	CountyCare Health Plan		CCHHS Care Delivery
Revenue	<ul style="list-style-type: none"> • Membership growth • Membership retention • PMPM rates 	→	<ul style="list-style-type: none"> • Productivity • Contracted plans & rates • Panel management • Risk/incentives • Pt Experience
Admin Costs	<ul style="list-style-type: none"> • Vendor admin fees • In-sourcing • Lower per unit cost 	→	<ul style="list-style-type: none"> • Labor • Overhead • Operational efficiencies
Medical Costs	<ul style="list-style-type: none"> • Contracted network • Contracted rates • Utilization management 	→	<ul style="list-style-type: none"> • Provider practice patterns • Vertical integration
Pharmacy	<ul style="list-style-type: none"> • Contracted rates • Formulary 	→	<ul style="list-style-type: none"> • 340B pricing • Formulary

INNOVATION

How Can CountyCare Compete?

Challenges

- Limited opportunity to differentiate
 - Same covered services, reimbursements, quality/accreditation requirements & access standards
 - No cost to members
- Lack of consistent open enrollment period
- Continued HFS and IL Legislature intervention (e.g. HB1, DASA services)
- Large marketing investments

Opportunities

- Innovation
- Provider-led health plan
 - Care coordination in acute & post-acute settings
- Value-added benefits
- Social determinants of health
- Service levels for members and providers
- Member self-empowerment
- Strong community relations
- Population-based health initiatives

Five Strategic Planning Principle Objectives

#1: Improve Health Equity

Health equity is achieved when every person has the opportunity to attain his or her full health potential and no one is disadvantaged from achieving this potential because of social position or other socially determined circumstances.

#2: Provide High Quality, Safe & Reliable Care

The quality of patient care is determined by the quality of infrastructure, training, competence of personnel and efficiency of operational systems. The fundamental requirement is the adoption of a system that is 'patient centered' and the implementation of highly reliable process.

#3: Demonstrate Value, Adopt Performance Benchmarking

Benchmarking creates a strong foundation to measure transformative change. It allows us to have a fact-based understanding of where we are and how we are succeeding at reaching our goals.

#4: Develop Human Capital

Our 6,270 employees are our biggest asset. Building employees' skills through education and development opportunities should not only improve efficiency and quality of care, but staff and patient satisfaction.

#5: Lead in Medical Education & Clinical Investigation

Cook County has a rich history of medical training and top notch clinical research, particularly for vulnerable populations. This legacy is an important component of our system to maintain our workforce pipeline and develop effective innovations in care.

Strategic Planning Principle Objectives

Improve Health Equity

Health equity is achieved when every person has the opportunity to attain his or her full health potential and no one is disadvantaged from achieving this potential because of social position or other socially determined circumstances. (Source: Institute of Medicine)

Provide High Quality, Safe & Reliable Care

The quality of patient care is determined by the quality of infrastructure, training, competence of personnel and efficiency of operational systems. The fundamental requirement is the adoption of a system that is 'patient centered' and the implementation of highly reliable processes.

Demonstrate Value, Adopt Performance Benchmarking

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Develop Human Capital

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Lead in Medical Education & Clinical Investigation Relevant To Vulnerable Populations

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Strategic Planning Principle Objective

#1: Improve Health Equity

Health equity is achieved when every person has the opportunity to attain his or her full health potential and no one is disadvantaged from achieving this potential because of social position or other socially determined circumstances.

Current Initiatives	Short-Term Initiatives (next 12-24 months)	Longer-Term Initiatives (next 24-40 months)
<ul style="list-style-type: none">• State partnerships• Application and linkages for justice-involved population• Behavioral health consortium• Transitions in care	<ul style="list-style-type: none">• Membership growth (acquisition, product line expansion)• Uninsured 'direct access' program• Behavioral health integration• Social determinants of health (housing, food and employment)• Justice-involved coordination of care• Public Health Data Learnings	<ul style="list-style-type: none">• Membership growth• Behavioral health integration• Social determinants of health (housing, food and employment)• Public Health Data Learnings

Strategic Planning Principle Objective

#2: Provide High Quality, Safe & Reliable Care

The quality of patient care is determined by the quality of infrastructure, training, competence of personnel and efficiency of operational systems. The fundamental requirement is the adoption of a system that is 'patient centered' and the implementation of highly reliable process.

Current Initiatives	Short-Term Initiatives (next 12-24 months)	Longer-Term Initiatives (next 24-40 months)
<ul style="list-style-type: none"> • Accountable care partnership • Member-centric care delivery, supported through provider-based care coordination • Accessible UM and analytic tools • Expanded value-added benefits 	<ul style="list-style-type: none"> • HEDIS • High-quality Provider Network • Behavioral health learning collaborative • NCQA Health Plan Accreditation • Value-added benefits 	<ul style="list-style-type: none"> • HEDIS • Value-added benefits • Providers assuming risk

Strategic Planning Principle Objective

#3: Demonstrate Value, Adopt Performance Benchmarking

Benchmarking creates a strong foundation to measure transformative change. It allows us to have a fact-based understanding of where we are and how we are succeeding at reaching our goals.

Current Initiatives	Short-Term Initiatives (next 12-24 months)	Longer-Term Initiatives (next 24-40 months)
<ul style="list-style-type: none">• Established program Metrics and KPIs• Claims data analysis to drive program planning	<ul style="list-style-type: none">• HEDIS• CAHPS (members and providers)• Financial benchmarks• MCCN performance standards	<ul style="list-style-type: none">• HEDIS• CAHPS (members and providers)• Financial benchmarks• MCCN performance standards

Strategic Planning Principle Objective

#4: Develop Human Capital

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Current Initiatives	Short-Term Initiatives (next 12-24 months)	Longer-Term Initiatives (next 24-40 months)
<ul style="list-style-type: none"> • Association membership, networking and trainings (Association of Community Affiliated Plans [ACAP], IL Association of Medicaid Health Plans [IAMHP]) • HEDIS training 	<ul style="list-style-type: none"> • Association membership, networking and trainings (ACAP, IAMHP) • Establishing & leading Learning Collaboratives (internal & external) 	<ul style="list-style-type: none"> • Association membership, networking and trainings (ACAP, IAMHP) • Establishing & leading Learning Collaboratives (internal & external)

Strategic Planning Principle Objective

#5: Lead in Medical Education & Clinical Investigation Relevant To Vulnerable Populations

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Current Initiatives	Short-Term Initiatives (next 12-24 months)	Longer-Term Initiatives (next 24-40 months)
<ul style="list-style-type: none"> • Early discussions looking at impact of applications at Cook County Jail • Predictive analytics 	<ul style="list-style-type: none"> • Partner with Collaborative Research Unit • ACA member experience and health outcomes • Predictive analytics • Innovative programs and partnerships • At-risk populations • Provider-led care coordination 	<ul style="list-style-type: none"> • Impact on social determinants of health • Predictive analytics