Medicaid Managed Care/Managed Care Organizations (MCOs)

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Mary Sajdak
Senior Director, Integrated Care Management
Current Approach

• Obtain agreements
  – Medicaid Managed Care
  – Selected employer and exchange based plans
  – Specialty Networks

• Include all system components
  – Inpatient and Outpatient Hospital Services
  – Primary and Specialty Care physicians
  – Behavioral Health
  – Pharmacy
MCO Contract Features

- Rates typically set by Illinois Department of Healthcare and Family Services (HFS) or Centers for Medicare and Medicaid Services (CMS)
- Credentialing completed by CCHHS
- Claim reconciliation process favors MCO
- Operational requirements embedded in provider manuals but tied to contract
- Pay for Performance (P4P) varies widely in terms of reimbursement and effort required
### CCHHS Executed Contracts as of May 2016

<table>
<thead>
<tr>
<th>Plan Name</th>
<th>Lines of Business</th>
<th>Services Contracted</th>
<th>Effective Date</th>
<th>CCHHS Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aetna Better Health</td>
<td>ICP,FHP/ACA MMAI</td>
<td>Hospitals, PCP and SCP, Rx</td>
<td>9/11 – ICP 9/15-remaining</td>
<td>4,728</td>
</tr>
<tr>
<td>Family Health Network</td>
<td>FHP/ACA</td>
<td>Hospitals, SCP only</td>
<td>1/1/16</td>
<td>N/A</td>
</tr>
<tr>
<td>Harmony</td>
<td>FHP/ACA</td>
<td>Hospitals, PCP and SCP, Rx</td>
<td>10/31/15</td>
<td>9,322</td>
</tr>
<tr>
<td>Meridian</td>
<td>ICP,FHP/ACA MMAI</td>
<td>Hospitals, PCP and SCP, Rx</td>
<td>12/1/14</td>
<td>900</td>
</tr>
<tr>
<td>Illinicare</td>
<td>ICP</td>
<td>Hospitals, PCP and SCP, Rx</td>
<td>7/1/10</td>
<td>1,607</td>
</tr>
<tr>
<td>Blue Cross/Blue Shield</td>
<td>ICP,FHP/ACA MMAI</td>
<td>Hospitals, PCP and SCP, Rx</td>
<td>4/1/16</td>
<td>TBD</td>
</tr>
</tbody>
</table>

**ACA** – Single adults eligible for Medicaid due to eligibility expansion  
**FHP** – Families, pregnant women  
**ICP** – Seniors and people with disabilities who are eligible for Medicaid, but not Medicare  
**MMAI** (Medicare/Medicaid Alignment Initiative) – Enrolls those who are eligible for both Medicare and Medicaid into one place with one set of rules  
**PCP** – Primary Care Provider  
**SCP** – Specialty Care Provider
Contracts in Progress

• Molina

• Fresenius-specialty network, not operational until 1/17

• Next Level Health
## CCHHS Managed Care Revenues (CountyCare excluded)

<table>
<thead>
<tr>
<th>Managed Care Revenues November 30&lt;sup&gt;th&lt;/sup&gt; YTD</th>
<th>Revenue Drivers</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013 $44,375,590</td>
<td>HFS movement of ICP to MCOs-CCHHS with 2 ICP Contracts</td>
</tr>
<tr>
<td>2014 $71,194,465</td>
<td>Improved compliance with inpatient review requirements</td>
</tr>
<tr>
<td>2015 $167,429,354</td>
<td>CCHHS network participation grows from 2 to 5 agreements</td>
</tr>
</tbody>
</table>
| 2016 $109,784,975 (Dec – April)                   | • Begin receiving pay for performance revenue, began prior authorization.
|                                                  | • Seeks compensation for services provided without contract
|                                                  | • FHN and BC Contract
|                                                  | • Multiple pharmacy agreements |
Challenges for CCHHS

MCO Information Flow
- National players; silos, communication delayed
- Staff that is forward facing often without knowledge, skills to interface effectively

MCO Infrastructure Requirements
- MCOs downstream plan functions to provider groups and require specific types of staff related to the administration of those functions
CCHHS Completed Managed Care Activities

• Hired Director of Managed Care Operations

• Implemented Prior Authorization for procedures requiring inpatient stay and outpatient diagnostic testing

• HEDIS (Health Effectiveness Data Information Set) workgroup formed to support pay for performance
Short-Term CCHHS Activities

Complete Infrastructure development
  – Staffing of managed care department
  – Vehicle for direct providers to understand rules of road for major payers
  – Develop new capabilities
    • Utilization Management
    • Claims payment
    • Reporting
Short-Term CCHHS Strategies

Develop systems, processes and tracking to improve performance
- Increase P4P revenue 25%
- Prior authorization for 90% of eligible procedures
- Reduce denials for levels of care or lack of medical necessity
- Determine additional ways to leverage existing infrastructure to increase revenue e.g. eConsult, care coordination

Engage physicians
- Support prior authorization/concurrent review/quality activities
- Complete implementation of Care Management Workgroups

Develop wisdom
- Develop common understanding of what is an acceptable contract for CCHHS
- Carefully consider arrangements that require significant infrastructure investment without a clear understanding of upside potential
- Determine cost/benefit of pursuing expanded risk contracts
CCHHS Long-Term Strategic Recommendations

Compete on value
  – Be able to demonstrate that CCHHS provides timely, effective and efficient care in the most appropriate setting; easy to deal with, responsive and understands managed care

Grow membership
  – Support efforts at member retention, be the provider of choice for the MCO, offer support to minimize transitions for members impacted by network disruption.

Influence MCO strategy
  – Seek membership on advisory councils, committees and serve as pilot sites for new MCO programs