

CountyCare Update

Prepared for: CCH Managed Care Committee

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Board Metrics



Current Membership

Monthly membership as of September 6, 2019

Category	Total Members	ACHN Members	% ACHN
FHP	211,329	17,244	8.2%
ACA	71,926	13,130	18.3%
ICP	29,552	5,927	20.1%
MLTSS	6,008	0	N/A
Total	318,816	36,301	11.4%

ACA: Affordable Care Act

FHP: Family Health Plan

ICP: Integrated Care Program

MLTSS: Managed Long-Term Service and Support (Dual Eligible)

Managed Medicaid Market

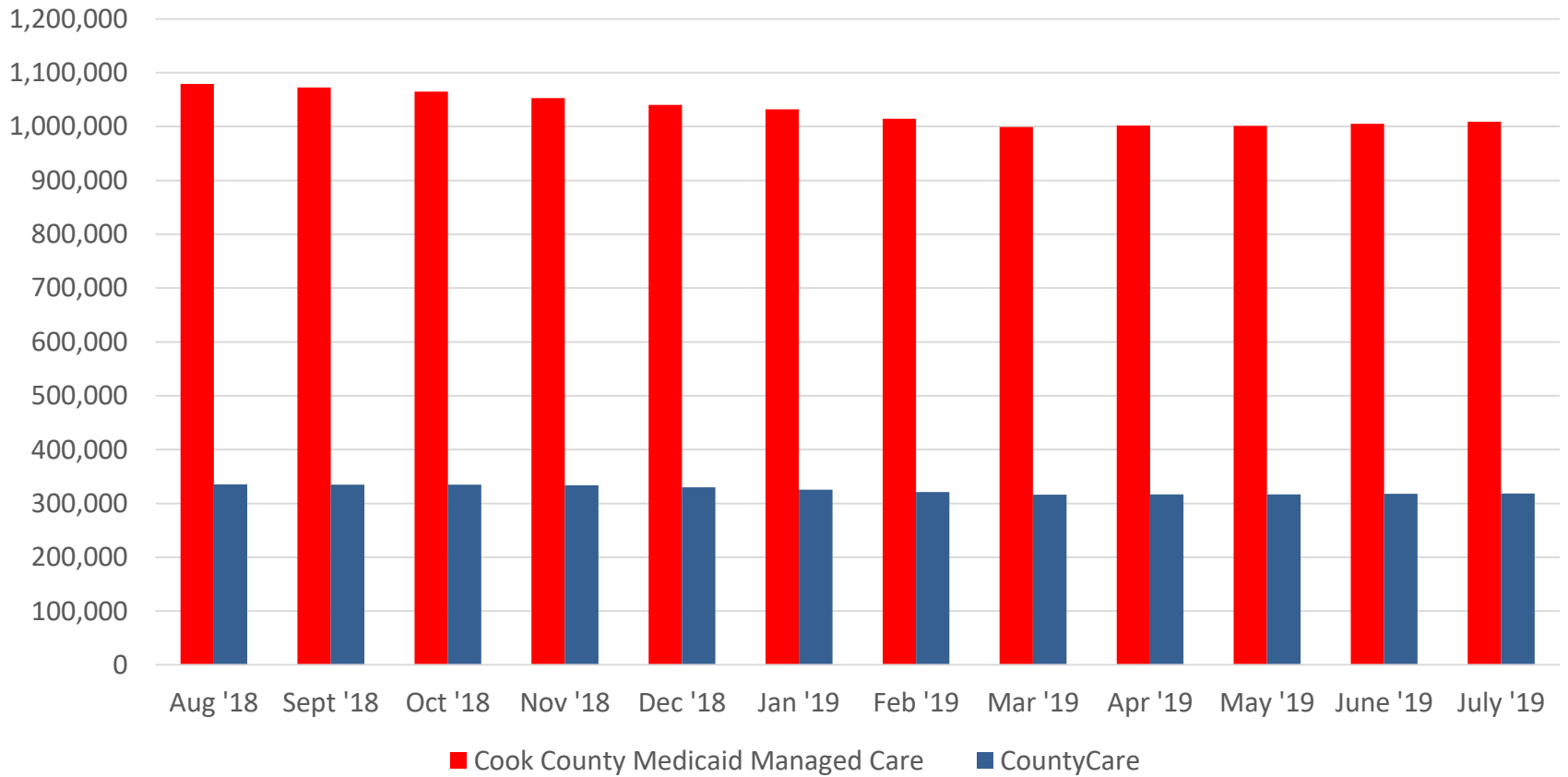
Illinois Department of Healthcare and Family Services July 2019 Data

Managed Care Organization	Cook County Enrollment	Cook County Market Share
*CountyCare	318,207	31.6%
Blue Cross Blue Shield	235,707	23.4%
Meridian (a WellCare Co.)	229,757	22.8%
IlliniCare (a Centene Co.)	110,390	11.0%
Molina	66,139	6.6%
*Next Level	47,853	4.7%
Total	1,008,053	100.0%

* Only Operating in Cook County

Meridian and WellCare (dba Harmony) merged as of 1/1/2019. Pending Merger with Centene (dba IlliniCare)

Medicaid Managed Care Trend



2019 Operations Metrics: Claims Payment

		Performance		
Key Metrics	State Goal	May	Jun	Jul
Claims Payment Turnaround Time				
% of Clean Claims Adjudicated < 30 days	90%	95.9%	97.4%	97.4%
% of Claims Paid < 30 days	90%	44.0%	40.7%	44.9%

2018-2019 Operations Metrics: Overall Care Management Performance

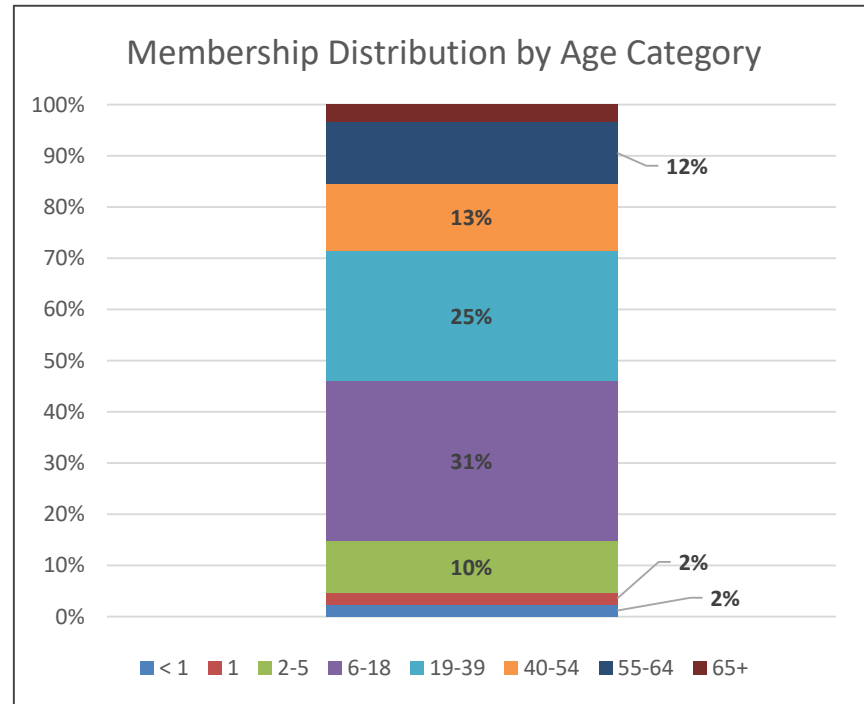
		Performance		
Key Metrics	Market %	May	Jun	Jul
Completed HRS/HRA (all populations)				
Overall Performance	40%	63.0%	63.3%	64.6%
Completed Care Plans on High Risk Members				
Overall Performance	65%	61.9%	61.5%	61.7%

CountyCare's high-risk percentage exceeds the State's requirement of 2% for Family Health Plan and 5% for Integrated Care Program

Overall Member Age Distribution

Age Category	Membership
< 1	7,946
1	8,119
2-5	33,625
6-18	105,896
19-39	85,131
40-54	44,609
55-64	40,168
65+	11,557

Average Age = 27.1 years



ACA Member Age Distribution

Age Category	Membership
19-39	35,772
40-54	22,179
55-64	23,315
65+	1,013

Average Age = 42.5 years

Medicare Advantage



CountyCare
HEALTH PLAN

Medicare 101

- **Traditional Medicare (Also known as Original Medicare)**
 - Original Fee-for-Service government program with no specified network, no care management, no supplemental benefits. Part D for prescription drugs is purchased separately.
- **Medicare Supplement**
 - Optional private insurance purchased in conjunction with “traditional” Medicare to cover benefits/costs not covered by the government program.
 - Typically has a premium of \$75+ per month, which is often considered too costly for low income beneficiaries. Part D is purchased separately.
- **Medicare Advantage**
 - Private insurance alternative to traditional Medicare; Offered by private companies that have a contract with The Centers for Medicare & Medicaid Services (CMS)
 - Covers CMS-defined benefits plus **supplemental benefits** that go beyond Medicare
 - Typically includes **care management, disease management, and other programs aimed at keeping people healthy**

Traditional Medicare vs. Medicare Advantage

BENEFIT COMPARISON	ORIGINAL MEDICARE	MEDICARE ADVANTAGE
Doctor visits	✓	✓
Hospital stays	✓	✓
Monthly plan premium	✓	
Deductible on doctor and hospital visits	✓	
Predictable out of pocket costs		✓
Part D – drugs coverage		✓
Dental		✓
Vision		✓
Hearing		✓
Transportation		✓
Over The Counter (OTC) card		✓
Healthy Food*		✓
Gym membership*		✓

*Included in some Medicare Advantage plans

Medicare Advantage Market

- Growing amount (828,439) of Medicare beneficiaries in Cook County
- Current Medicare Advantage (MA) market penetration is 27% compared to national average of 33%
- Market penetration has been growing steadily in Cook County and nationally
- Top 5 plans in market represent 77% of total market share with no single dominant player

Age-in Populations and Continuity of Care

- Aligns with Strategic Plan
- Within CountyCare and Cook County Health
 - Significant Medicare populations in 2020
 - Every year thousands of CountyCare members “graduate” into Medicare
 - Cook County Health system has 14,000 Medicare patients currently being served
 - This will allow us to maintain these patients as Medicare Advantage expands

Medicare Advantage Partnership

- **Initially explored solo path**
 - Requires Illinois Department of Insurance licensure
 - Did not meet certain requirements
- **Alternate strategy of partnership**
 - CCH Health Plan Services retained as contractor
 - Paid percent of premium to manage risk of members
 - Perform health plan services under a contract
 - Non-exclusive arrangements

Medical Home Network Partnership



COOK COUNTY
HEALTH



MEDICAL HOME NETWORK

- Cook County Health (CCH) and Medical Home Network (MHN) have been partners since CountyCare's inception
- **Shared Foundation**
- **CCH has a 180 year history** of providing access and quality care to all Cook County residents
- **MHN was founded in 2009** by the **Comer Family Foundation** to transform healthcare delivery for the Medicaid population
- **Unparalleled experience**
- Understanding the **whole-person needs** of Cook County's underserved residents
- Redesigning health care delivery and care management for the safety-net
- Building **patient relationships** beyond 4 walls of practice
- Achieving better health **outcomes, costs** and **engagement** – outperforming other Medicaid programs

Relationship between Medical Home Network (MHN) and Medicare Advantage Delivery Innovations (MADI)/dba MoreCare

- MHN a not for profit 501c3 whose mission is to transform healthcare and reduce disparities in the safety-net.
- MADI/dba MoreCare a fully owned subsidiary of MHN.
- MADI established as a for profit to enable access to capital if needed.
- MHN ACO is an LLC owned by the 13 safety-net providers. It is managed by MHN, but MHN has no ownership of the entity—only the providers own it.
- MHN ACO is a high performing longstanding provider partner of CountyCare

MoreCare Health Plan Launching in 2020

MoreCare®

A Medical Home Network Affiliate

Products Overview

MoreCare For You

General Medicare Advantage Plan with Prescription Drugs (MAPD)

- Any Medicare-eligible beneficiary

MoreCare Home

Institutional Special Needs Plan (I-SNP)

- Any Medicare-eligible person who lives in an institution (e.g. nursing home)

MoreCare At Home

Institutional Equivalent Special Needs Plan (IE-SNP)

- Any Medicare eligible person who lives at home but requires nursing level of care

MoreCare +

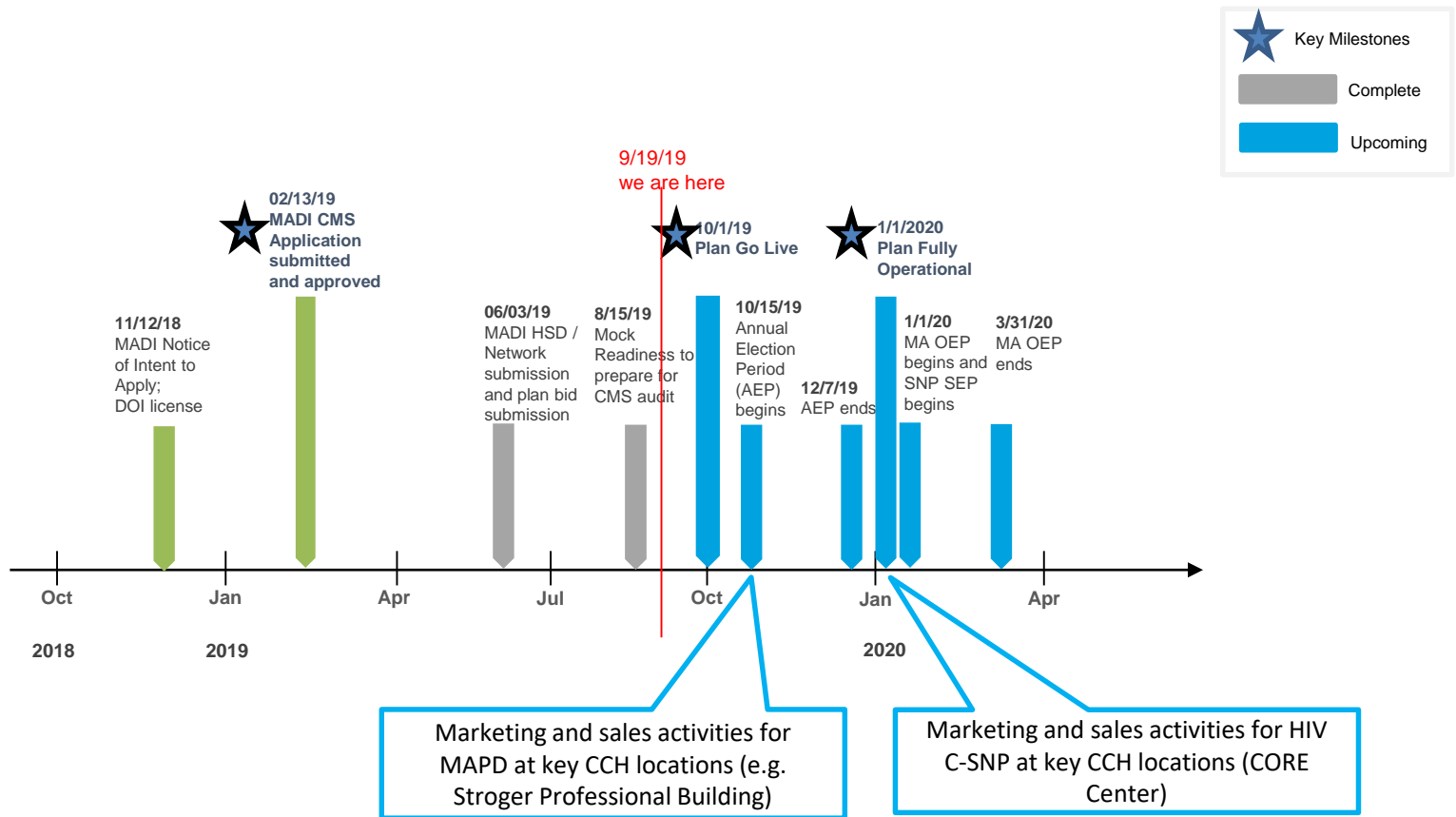
Chronic Condition Special Needs Plan for HIV (C-SNP/HIV-SNP)

- Any Medicare eligible person with a diagnosis of HIV

Division of Responsibility Structure

Area of Focus	MADI	CCH
CMS Contract Holder	✓	
IL Insurance License	✓	
Marketing & Sales	✓	
Compliance	✓	
Health Plan Operations		✓
Program Development	✓	✓
Provider Network		✓
Health Plan Policy		✓
Finance	✓	✓
Benefits Design		✓
Actuarial Services		✓
Delegated Care Management		✓
Vendor Management		✓

Timeline of Initiative



Financial Assumptions

- A strategy evaluation 5 year pro forma was developed after the initial Sr. Management Meeting on 07/27/18 in which Board members also were invited to attend.
- Medicare requires investment in upfront resources to ensure compliance with all CMS requirements.
- Estimated break-even membership is 5,375.
- At 10,000 lives, we expect a net surplus of greater than \$7 million annually.

Financial Assumptions

- First year membership enrollment target is 1,250.
- Plan is expected to realize additional financial benefit to Cook County Health from utilization occurring at Cook County Health facilities.
- The pro forma assumes similar in-house utilization assumptions as is being achieved within CountyCare.
- Medicare provider network is a much smaller subset of the current Medicaid network.

Medicare Pro-Forma Summary

Medicare Pro-Forma Summary						
	2019	Year 1 - 2020	Year 2 - 2021	Year 3 - 2022	Year 4 - 2023	Year 5 - 2024
Membership		1,250	3,000	5,000	7,500	10,000
Revenue	\$ -	\$ 24,919,757	\$ 56,888,320	\$ 93,884,370	\$ 140,005,277	\$ 187,933,467
Administrative Expense	\$ (7,840,728)	\$ (9,420,517)	\$ (11,366,967)	\$ (15,099,242)	\$ (18,569,813)	\$ (20,429,692)
Medical Expense (External and Internal)	\$ -	\$ (21,181,793)	\$ (48,355,072)	\$ (79,801,714)	\$ (119,004,486)	\$ (159,743,447)
Profit/Loss	\$ (7,840,728)	\$ (5,682,554)	\$ (2,833,719)	\$ (1,016,586)	\$ 2,430,978	\$ 7,760,328
Internal Medical Expense	\$ -	\$ 4,236,359	\$ 9,671,014	\$ 15,960,343	\$ 23,800,897	\$ 31,948,689
CCH Net Contribution	\$ (7,840,728)	\$ (1,446,195)	\$ 6,837,296	\$ 14,943,757	\$ 26,231,875	\$ 39,709,018

Key Activities

- Finalize and implement key vendors
 - Establish a strong operational plan with these key vendors
 - Establish meaningful operational oversight of key vendors
- Recruitment and staffing to successfully launch products
 - Within MADI
 - Within CCH Health Plan Services
- Network adequacy criteria
 - Provider contracts completed and providers credentialed before submission to CMS
 - CMS review and determination that the provider network meets full adequacy

Keys Activities

- Benefits, Plan design and bid and Formulary
 - Contract for extra benefits
 - Submission to CMS
- Marketing Plan
 - Finalize sales strategy
 - Hire/contract and train sales force
 - Develop and get approval for marketing materials, enrollment forms, marketing presentations, provider directories

Medicare.gov Star Rating

- **Overall Star Rating** gives an overall rating of the plan's quality and performance
- **Five Key Areas**
 - **Staying healthy: screening tests and vaccines:** Whether members received various screening tests, vaccines, and other check-ups to help them stay healthy.
 - **Managing chronic (long-term) conditions:** How often members with certain conditions got recommended tests and treatments to help manage their conditions.
 - **Member experience with the health plan:** Member ratings of the plan.
 - **Member complaints and changes in the health plan's performance:** How often members had problems with the plan. Includes how much the plan's performance improved (if at all) over time.
 - **Health plan customer service:** How well the plan handles member calls and questions
- **Pharmacy (Part D) Stars are also Critical**

Keys to Success

- Getting membership to scale quickly
- Plan is expected to realize additional financial benefit to Cook County Health from utilization occurring at Cook County Health facilities
- The pro forma assumes similar in-house utilization assumptions as achieved within CountyCare
- Medicare provider network is a much smaller subset of the current Medicaid network

Keys to Success

- **Stars**
 - Significant implications to revenue and growth
 - Work in year one has significant impact on Initial Star rating, which is published in 2022
 - Affected by multiple parts of the organization
- **Risk Adjustment**
 - Significant implications to revenue; can be used as a good tool for medical management
 - Work each year has significant impact on future years
- **Provider Engagement**
 - Value based payments
 - Support