

Idaho Medicaid



**A FUTURE OF IMPROVED HEALTH OUTCOMES
DELIVERED BY AN ACCOUNTABLE CARE SYSTEM**

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Why Are We Here Today?



- **House Bill 260**
 - Idaho Medicaid to incorporate managed care tools to foster improved accountability and health outcomes.
- **A key value of our government:**
 - Convene stakeholders to facilitate discussions about problems and solutions.
- **Today, we'll hear from experts from our medical community about how to improve Idaho Medicaid so that it pays for value rather than volume.**

Why Focus on Medicaid?



- Major cost driver of our state and federal budgets.
- Major payer of critical health care services.
- Coverage for individuals who would otherwise be uninsured and/or would live in institutions.
- Our challenge: Develop strategies to make Medicaid sustainable.

Why is Medicaid Difficult to Manage?



- **Medicaid is an entitlement program**
 - Driven by federal law to ensure certain low-income and disabled individuals obtain health care services to meet their needs.
- **Compared to individuals typically covered by private health insurance, the Medicaid population:**
 - Has more instances of illness;
 - Are twice as likely to be in fair or poor physical condition; and
 - Has mental health and chronic care conditions.

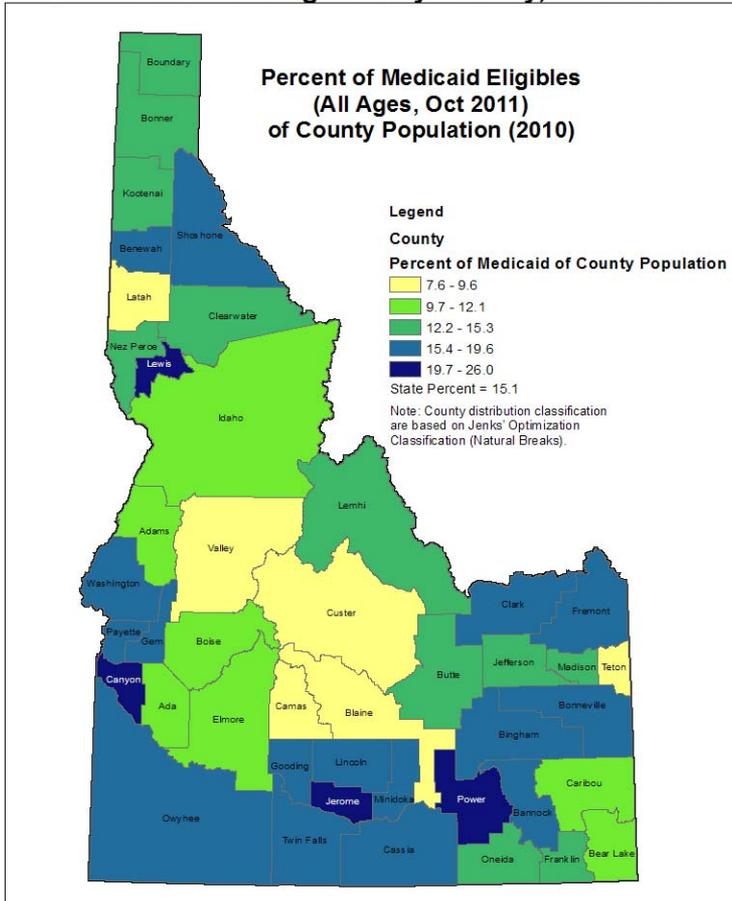
Idaho Medicaid Today



- Total enrollment: 235,000
 - 180% growth since 2001
- While 75% are children, the other 25% drive the costs
- 18% of total enrollees have some type of disability
 - Over 50% of Medicaid spending is for individuals with disabilities.
- Total annual Medicaid spending = \$1.8 B

Idaho Medicaid by County

Idaho Medicaid Eligibles by County, Oct 2011



Data Source: Idaho Department of Health and Welfare, Division of Medicaid
Population data from the US Census Bureau



- The counties with the highest Medicaid participation rate are Lewis, Canyon, Jerome and Power counties.
- The Counties with the largest number of Medicaid enrollees are Ada and Canyon counties, followed by Kootenai, Twin Falls, Bannock and Bonneville.
- Poverty impacts Medicaid enrollments for children, but not necessarily for adults. The counties with the highest poverty rates are Owyhee, Madison, Lemhi and Shoshone.

Health Care Reform Impacts Medicaid in 2014



- Estimate 100,000 new Idaho Medicaid enrollees
- 100% federally funded from 2014 – 2016, decreasing to 90% by 2020 for new population of enrollees
- New eligibles:
 - Uninsured, non-elderly, childless adults who have incomes below the 133% of the federal poverty line
 - National data indicates that nearly half are over 40 years, and:
 - 15% are between 55 and 64
 - 24% are in fair or poor physical health
 - 29% have two or more chronic health conditions
 - 20% reports being in fair or poor mental health

What's Wrong with the Current Approach?



- Idaho has exhausted short-term budget strategies to control growth
 - Three years of benefit and pricing reductions.
 - 2011 Medicaid reductions total \$90 million.
- Medicaid primarily pays for procedures, tests and visits without regard to quality or outcomes
- If our current approach is unsustainable, imagine 2014 & beyond!

What are Other State Medicaid Programs Doing?



- **Almost all states operate managed care programs.**
 - 26 states contract with Managed Care Organizations
 - 31 states operate Primary Care Case Management programs.
- **Nearly all states “carve out” at least one acute care benefit (most common is dental).**
- **Budget pressures and interest in improving service delivery and payment systems are fueling plans in many states to expand the use of managed care.**

What does “Managed” Care Mean?



The advantages that states most often attribute to managed care are:

1. Improved access;
2. Improved quality of care; and
3. Increased value for state taxpayer dollars.

What is Idaho Medicaid's Managed Care Experience?



Managed Care Approaches	Program	Results
Pre-Paid Ambulatory Care Plan (Benefit carve-out)	Dental	Best access rate for kids in the country. Intended to be budget neutral, but increased costs because of increased enrollment.
Special Needs Plan (Medicaid fee-for-service wrap-around)	Duals	Reductions in inappropriate ER use and medically unnecessary hospitalizations. Savings realized in Medicare.
Primary Care Case Management (Administration fee)	Primary Care	Improved and stabilized access for Medicaid enrollees. Reduced doctor shopping.
Selective Contracting (Broker model)	Transportation	Efficiency and quality improvements plus budget savings.

Additional Management Approaches



Managed Care Approaches	Program	Results
Utilization Management (Prior-authorizations, concurrent, retro)	Medical and Social Services	Mixed; better in clinical areas such as hospitals and medical procedures
Preferred Drug List	Pharmacy	Achieves purpose of authorizing lowest cost, therapeutically equivalent drugs – contains costs.
Individualized Budgets	Developmental Disabilities	With recent policy changes, is containing costs.
Selective Contracting	Administrative oversight of family homes	Pending; budget savings projected

Current Care Coordination Developments



Under Development	Purpose
Governor's Multi-Payer Medical Home Collaborative 'Better health, Better care, Lower cost.'	Commercial health plans and Medicaid pursuing opportunity to engage Medicare in comprehensive statewide primary care pilots. Reformed payment, data-driven, optimal use of health information technology. Spring 2012
Health Homes	Medicaid Medical Homes focus on improving care coordination of individuals with chronic disease & serious persistent mental illness. Open to all qualifying practices in 2012.
Children's Health Improvement Collaborative	Federal grant to promote use of health information technology in children's healthcare, develop Improvement Partnerships, and evaluate impact of using a medical home approach to deliver children's healthcare. Pilot pediatric medical homes in Spring 2012.
Dual Eligibility Plan	Building on medical home framework, Medicare, Medicaid & Health Plans begin to offer comprehensive, integrated benefits by end of calendar year 2012.

What's the Plan?



- **Data should help guide our decisions.**
 - Actuarial analysis is underway that will result in Legislative Executive Summary with cost information on different types of Medicaid enrollees, by location, by service type.
- **We engaged other states for their lessons learned.**
 - Legislators had the opportunity to listen to Oregon and Utah Medicaid experts who have decades of experience with managed care approaches.
- **We are seeking input from in-state experts and stakeholders.**
 - A Behavioral Health Managed Care Forum
 - A Long-term Care Forum to discuss managed care for the duals
 - Today's forum with hospitals, physicians and health centers

Report and Next Steps



- **A report to the Legislature:**
 - Executive Summary based on actuarial analysis
 - Summary of other state Medicaid managed care experiences
 - Summary of public forums and stakeholder recommendations
 - Budget request for the design of managed care approaches
 - Recommendations to support efforts underway.
- **Continue work on:**
 - A Managed Behavioral Health Plan
 - Managed Comprehensive Health Plans for Duals
 - Medical Home Development & Pilots
- **Build on the advice received in public forums to design managed care models that support the goals of an accountable care system with improved health outcomes.**

Keeping Track of Developments



- Managed Behavioral Health Plan
 - www.MedicaidMHManagedCare.dhw.idaho.gov
- Managed Comprehensive Plans for the Duals
 - www.MedicaidLTCManagedCare.dhw.idaho.gov
- Medical Home Development
 - under development
- Accountable Care System Development
building from Today's Discussion:
 - www.MedicaidManagedCare.dhw.idaho.gov