

# Coordinated Care Networks

## Louisiana Medicaid and CHIP Service Delivery System Changes

*October 19, 2010*



# Louisiana Medicaid

- Medicaid Enrollment
  - September 2, 2010 – 1,164,341
  - Approximately 27% of Louisiana population
- Enrollment by Category (Sept 2, 2010)
  - Children – 686,070
  - Disabled – 169,294
  - Parents – 105,059
    - Pregnant women -31,891
  - Family Planning – 68,614
- Projected Enrollment June 2011 – 1,253,558
- FY 2011 Medical Vendor Payment Budget
  - Total: \$6,507,479,386
  - Federal: \$4,846,513,014

# Why Reshape? Why Now?

- Care coordination is fragmented
- Overall poor quality and outcomes for dollars spent
- Access to specialists is limited
- Inappropriate utilization of services
- **Networks can exercise greater flexibility**
- Infrastructure for major expansion in 2014
- Budget predictability

# Why Reshape? Why Now?

<i>2009 America Health Rankings</i> United Health Foundation	
49 <sup>th</sup>	Cancer Deaths
49 <sup>th</sup>	Premature Death
47 <sup>th</sup>	Infectious Disease
47 <sup>th</sup>	Preventable Hospitalizations
46 <sup>th</sup>	Cardiovascular Deaths
<i>2009 KIDS COUNT Data Book</i> Annie E. Casey Foundation	
49 <sup>th</sup>	Low-Birth Weight Babies
49 <sup>th</sup>	Infant Mortality Rate
43 <sup>th</sup>	Teen Death Rate
42 <sup>th</sup>	Child Death Rate

# Affordable Care Act of 2010

- Requires most U.S. citizens and legal residents to have health insurance
- Expands Medicaid to 133% of federal poverty level (FPL), with disregard, to 138% of FPL
- Current eligible groups in Louisiana Medicaid
  - Parents of children eligible to 12%FPL
  - CHIP, pregnant women up to 200%FPL
  - Childless adults ineligible at any income
- New LA enrollees 645,843 (by SFY 2023)

# Major Differences in Existing CommunityCARE and CCNs

## CommunityCARE (Current PCCM)

- Medical home for primary care only
- No incentives for keeping people well
- Quality outcomes approximately same as **non**-CommunityCARE

## Coordinated Care Networks (CCN)

- Advanced patient-centered medical home
- Financial incentives to keep people well
- Framework for significant quality improvement

# Differences in CCN Models

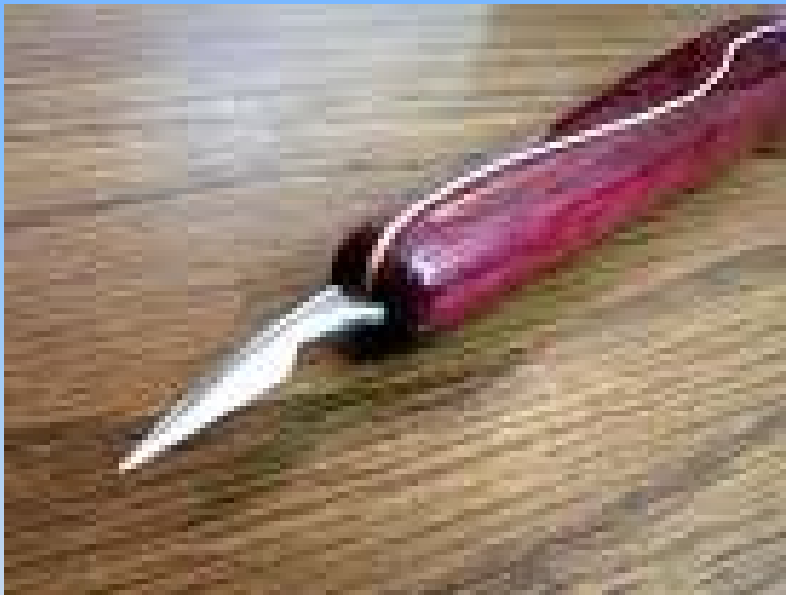
## Shared Savings (CCN-S)

- Provides primary care and coordinates other services
- CCN will receive monthly care management fee
  - Two tiers \$14.81 & \$21.16
  - CCN will reimburse \$3 PMPM to the PCP
- Limited risk (Return up to 50% of enhanced primary care case management PMPM if no savings)
- Shared Savings contingent on quality

## Prepaid (CCN-P)

- Provides all included services
- Monthly, risk adjusted PMPM
- Expected to ~ 85% of PMPM on health care services and quality initiatives; allowed to keep profit
- Full risk
- Withhold portion of PMPM for not meeting quality expectations
- **Responsible for claims adjudication with prompt pay requirements**

# CCN “Carve Outs”



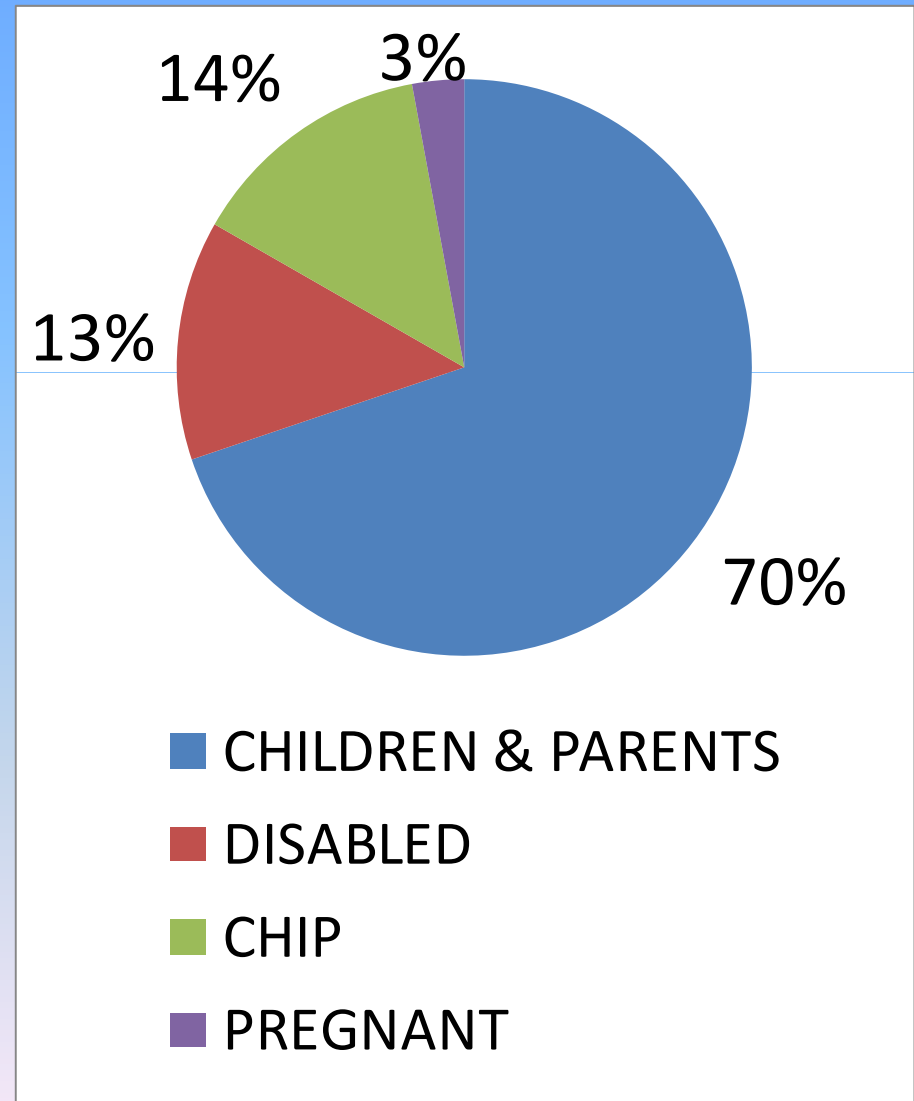
*Carve outs will continue to be fee-for-service*

- Pharmacy
- Dental
- Specialized Behavioral Health
- Hospice
- Targeted Case Management
- PCS (EPSDT and LTC)
- Nursing Facility Services
- IEP Services Billed Through School Districts
- GME

# Mandatory CCN Enrollees

- Families & Children
  - Medicaid children
  - CHIP children (<200%FPL)
  - Parents < 11% FPL
  - Pregnant Women
- Disabled, Blind, Elderly
  - Enrollees with a disability or blind between ages 19 & 65
  - People over age 65

~ 830,000 Mandatory Enrollees



# Mandatory Inclusion of Pregnant Women

- Louisiana Medicaid now pays for more than 70% of births in state
- One of the highest infant mortality rates of any state
- Focus on management of high risk pregnancies can yield quick Return on Investment
  - Improved birth outcomes
  - Lower NICU costs



# Voluntary Enrollees

- Children under age 19 receiving SSI or services through OPH Special Needs Clinics
- Foster Children and children in DSS or OJJ custody
- Native Tribal Americans who are members of a federally recognized tribe
- **We want them to receive the benefits of better care coordination & access to specialists**
  - Will be included by default but may opt out (or in) at any time
  - If they opt out of the CCN, they will be in fee-for-service Medicaid

**About 44,000 Voluntary Enrollees**

# Excluded Enrollees



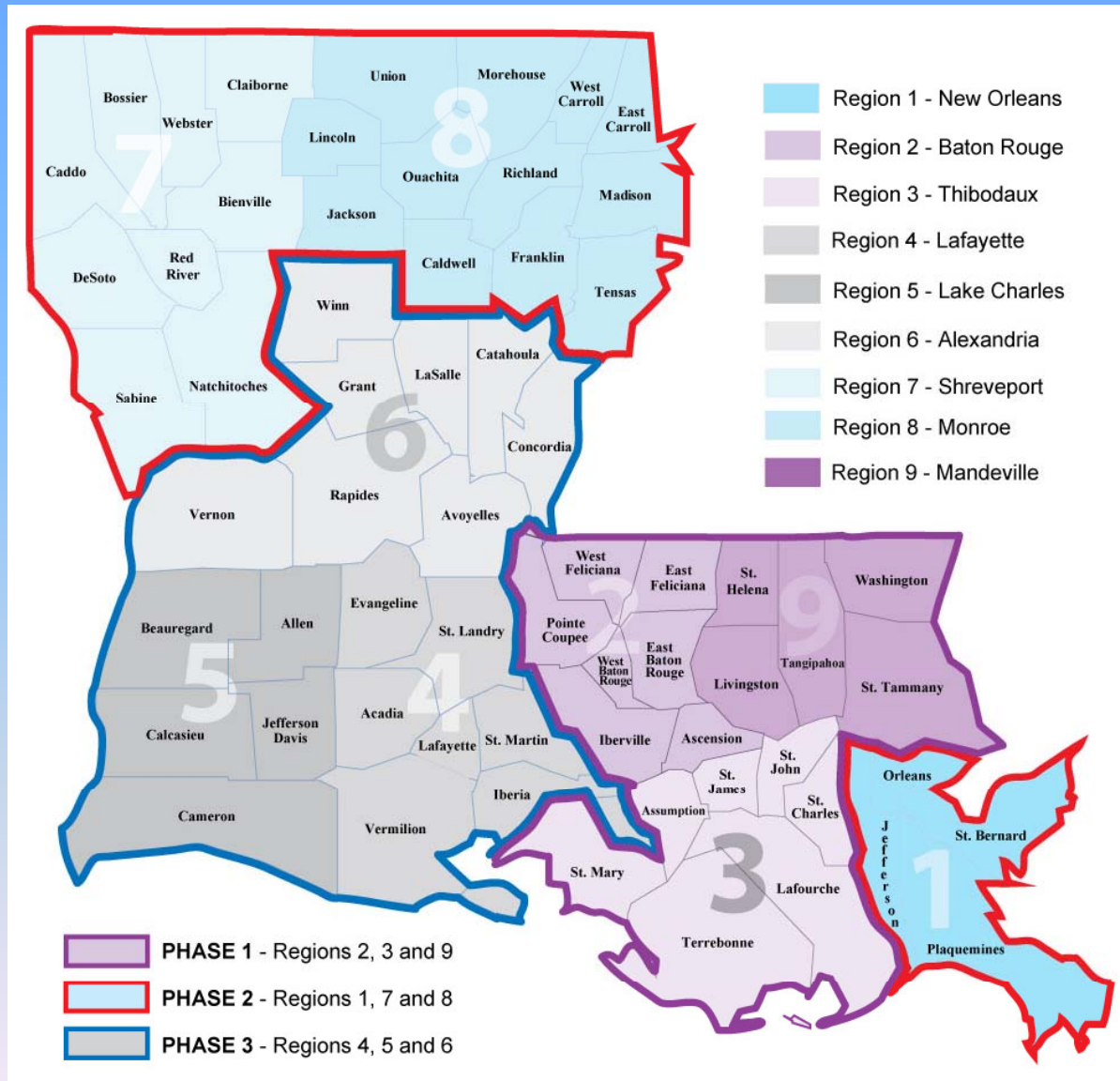
- Medicare dual eligibles
- *Chisholm* class members
- Persons in nursing and DD facilities
- HCBS waiver recipients, **regardless of age or waiver**
- Persons receiving hospice services

*If status of member changes to one of the above, they will revert to FFS effective the first day of following month.*

# Timeline for Implementation

- **September 2010**—DHH accepting CCN Applications for Enrollment
- **October - December 2010**—Readiness Reviews
- **February 2011**—Phase 1 Choice Letters Mailed
- **April 2011**—CCN services begin for Phase 1
- **October 2011** —CCN services begin for Phase 2
- **April 2012** —Statewide implementation complete (Phase 3)

# Map of Regional Implementation



# So How Can We Get Better Outcomes and **Still** Show Savings?

- Improved outcomes through early detection and treatment
- Reduction in duplicative services
- Reduction in avoidable hospitalizations
- Reduction in preterm births and neonatal costs
- Reduction in emergency room costs
- Reduction in hospital readmissions





**How Will This Impact the Medical Community?**

# Important CCN Features

- CCNs must pay not less than Medicaid FFS rate, unless mutual agreement to other arrangement
- Capitation payment to most CCNs but CCNs contracts with providers can still be fee-for-service
- CCNs cannot require exclusivity; physicians can enroll with multiple entities
- Each CCN can design their own Physician Incentive Program (that meets federal Medicaid rules)

# *What Happens to Existing Medicaid/CommunityCARE/KIDMED?*

- FFS Medicaid to be available
  - for excluded populations and voluntary population who opt out
  - for carved out services for mandatory CCN populations
- CommunityCARE to be available
  - In urban parishes **if** there is only one CCN
  - In rural parishes **if** there are **no** CCNs
  - **Anticipated that all parishes will have sufficient CCN models**
- “KIDMED”/EPSDT
  - EPSDT will be provided by the CCNs
  - Will not be known by current DHH marketing name of “KIDMED”

# Enrollees Will Have **Choice** of CCN and **Choice** of PCP

- Existing –and new--Medicaid enrollees will be asked to choose
  - a CCN
  - A Primary Care Provider (PCP) within the CCN
  - Will be linked to requested PCP if capacity exists
- Multiple opportunities for enrollees to affirmatively select their CCN & PCP
- Providers can educate patients on their CCN affiliation
- Automatic assignment if enrollee does not make a choice, weighted to prior provider relationship



# CCN Network Structure

- PCPs/Specialists can participate in multiple CCNs
- Panel size cannot exceed 2,000 total members across all CCNs (*includes CommunityCARE linkages*)
- CCNs must demonstrate network adequacy to pass readiness review, including:
  - Minimum specialty/patient ratios
  - Timely access standards
  - Travel distance standards

# CCN Benefits to Providers

- Administrative support from CCN
- Improved access to specialists for patients
- Potential for providers to share savings
- Flexibility of reimbursement for providers under prepaid plan
- Contracts with CCNs and fees can be negotiated

# CCN Rates

- Federal requirement that rates be **actuarially sound**
- Per Member Per Month (PMPM) payment based on
  - Age
  - Gender
  - Geographical Region
  - Aid Category (Children & Parents; Disabled)
- Risk adjustment factor based on health status of CCN's members

# Fee Reimbursement - Prepaid

- CCN Prepaid receives capitated payment
- CCN-P may negotiate a fee structure with provider, including capitation
- CCN-P will pay the provider for services performed
- CCN-P may offer provider incentives
- Must pay 90% clean claims within 30 days of receipt

# CCN Provider Recruitment

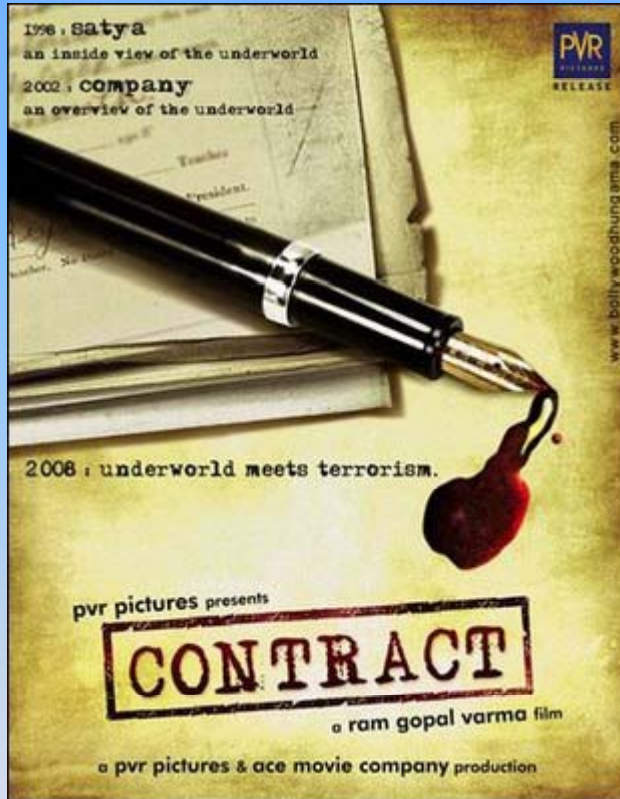
- Networks are being formed **NOW**
- Potential CCNs may contact you through materials or in person
- Eleven entities have expressed interest
- Seven Letters of Intent received to date
- List of Letters of Intent with contact information available online

# CCN Letters of Intent Already Received

- Aetna Better Health \*
- AmeriGROUP Community Care
- AmeriHealth Mercy\*
- Community Health Network, Inc.\*
- Louisiana Health Connections (Centene)\*
- Louisiana Independent Physicians Association\* (Shared Savings Model)
- Meridian Health Plan\*
- HealthCare USA of Louisiana (Coventry)\*
- UniHealth\* (Shared Savings Model)
- UnitedHealthcare Community Plan, Louisiana\* (Prepaid and Shared Model)
- Vantage (Prepaid - Ouachita Parish only)
- WellCare\*

\* Proposing to include **all 64 parishes** in their service area.

# Contracting with CCNs



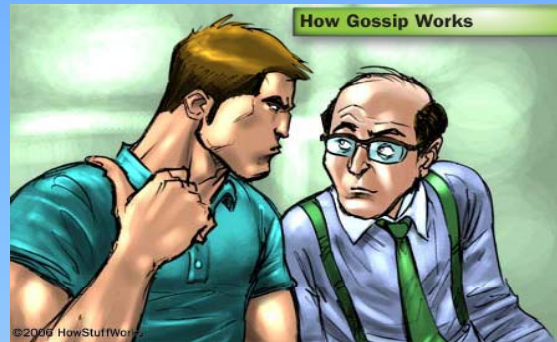
- Your responsibility - Negotiate the best contract for you
- Read the Policies and Guidelines and the Provider Agreement online
- Don't sign anything until all your questions are answered
- If you have administrative questions, ask the CCN.
- Other questions can be sent to DHH.

# Notifications to Enrollees

- Enrollees educated about choice period/system changes through mail, direct contact from DHH/Enrollment Broker
- Choice Letters sent to enrollees on a staggered basis beginning February 1, 2011
- Enrollees given 15 days to make choice

# Myth Busting

## (or Don't Believe Everything You Hear)



- CCN's are **not** a replication of any state's Medicaid (or CHIP) delivery system
- CCNs **aren't** doomed to fail in La because we lack the "infrastructure"
- We do **not** favor any one model
  - Both Prepaid and Shared Savings CCNs will have benefit of first market entry
  - No preference for either model in auto-assignment algorithm
- It's not **just** about saving money

# [www.MakingMedicaidBetter.com](http://www.MakingMedicaidBetter.com)

DEPARTMENT OF HEALTH & HOSPITALS  
STATE OF LOUISIANA

Robby Jindal, Governor  
Alan Levine, Secretary

## Making MEDICAID Better

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DHH > Medicaid > Medicaid Reform

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### What is Medicaid?

Medicaid is healthcare coverage for Louisiana residents. To enroll in Louisiana Medicaid, you must meet certain qualifications such as age and income.



### Did you know?

**#06** QUICK FACT #6 – In 2008, only 66 percent of Medicaid-covered diabetics tested their blood sugar level (Hemoglobin A1c) to help manage their disease. Better coordination of care can increase that percentage. [View More Facts >](#)



DEPARTMENT OF HEALTH AND HOSPITALS

Louisiana's families deserve better health. Building on years of analysis, input and recommendations from health care providers and advocacy groups statewide, and under the direction of the Louisiana Legislature, the Louisiana Department of Health and Hospitals is working to transform Louisiana Medicaid. The ultimate goal is a sustainable system that will provide better health coverage to Louisiana's residents. Coverage that allows residents to gain treatment in coordinated systems of care will offer better management of chronic conditions, overall improved health and higher patient satisfaction.

Learn more about making Medicaid better >

**Coordinated Care Network Public Meeting**  
[Learn More >>](#)

LOUISIANA RESIDENTS	HEALTH CARE PROVIDERS	HEALTH PLANS
If you are a Medicaid recipient, the parent or caregiver of a Medicaid recipient, or you want to know about Louisiana's plans to make Medicaid better, click here.	If you currently provide or wish to provide medical services to Louisiana Medicaid recipients, click here.	If you wish to manage a Coordinated Care Network, click here.
<ul style="list-style-type: none"><li>Online Medicaid Application</li><li>Frequently Asked Questions</li><li>Coordinated Care Network Overview</li></ul>	<ul style="list-style-type: none"><li>Coordinated Care Network Overview</li><li>Frequently Asked Questions</li><li>Model Provider Agreements</li><li>Document Library</li></ul>	<ul style="list-style-type: none"><li>Frequently Asked Questions</li><li>Coordinated Care Network Overview</li><li>Model Provider Agreements</li><li>Document Library</li></ul>
<a href="#">MORE FOR RESIDENTS &gt;</a>	<a href="#">MORE FOR PROVIDERS &gt;</a>	<a href="#">MORE FOR HEALTH PLANS &gt;</a>

CONTACT US

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Done

Internet 75%

# Next Steps for DHH

- Agreement and Contract Review
- Provider and Enrollee Outreach and Education
- Perform Readiness Reviews
- Review and Approve CCN Provider Networks



# Next Steps for Providers

- Review Model Provider Agreements and Policy & Procedure Guides available at [www.MakingMedicaidBetter.com](http://www.MakingMedicaidBetter.com)
- Addition to website of helpful resources
- Sign up for periodic CCN announcements.

**Please send your questions or comments via e-mail at:**

**[coordinatedcarenetworks@la.gov](mailto:coordinatedcarenetworks@la.gov)**