

If Managed Care is the Answer, What is the Question?

Making Medicaid Better Forum

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Presentation Outline

- Managed Care History in Medicaid
- Managed Care is Not Just One Thing
- Conclusions about Medicaid Managed Care Are Hard to Reach
- Why Managed Care?
- The Bottom Line: Accountability

Brief History of Medicaid Managed Care

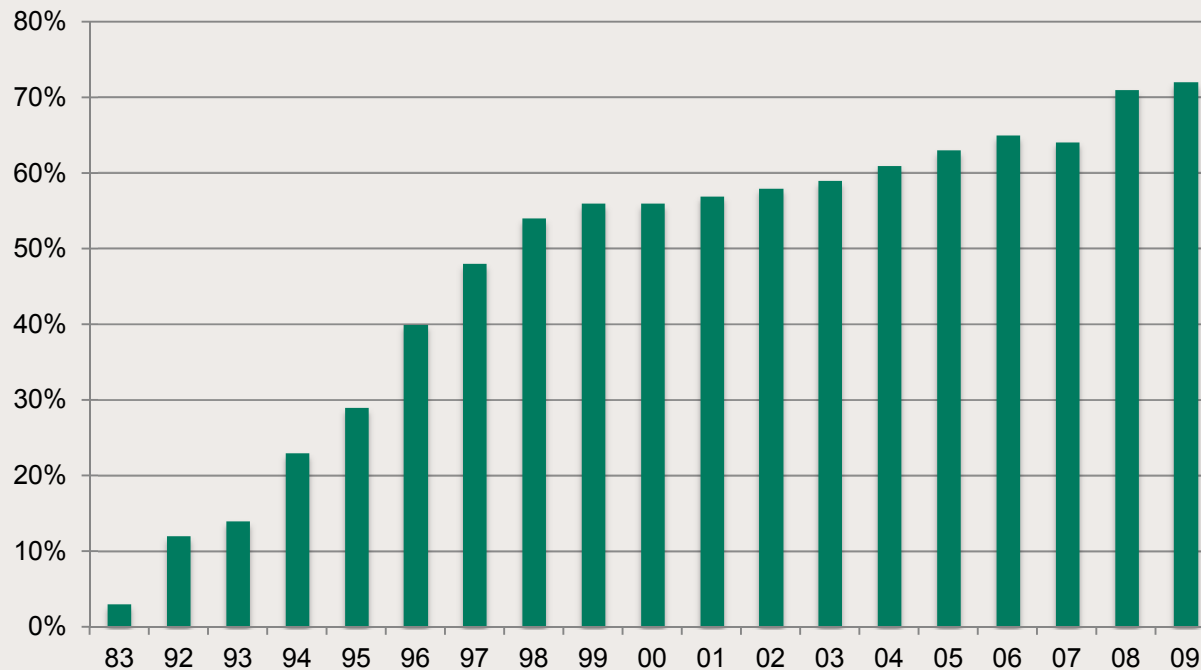
Managed Care Timeline

- 1981: Section 1915(b) freedom-of-choice waivers established
 - Allowed states to pursue mandatory managed care enrollment of certain Medicaid populations.
- 1993: Many states began greater use of Medicaid managed care for delivery of care and expanded coverage to previously uninsured populations like childless adults
- 1997: The Balanced Budget Act of 1997 permitted states to require most Medicaid beneficiaries to enroll in managed care plans without obtaining a section 1915(b) waiver.
 - BBA also eliminated Medicaid's "75/25" rule, which required that 25% of a Medicaid plan's enrollment be commercially insured. This change shifted the market towards Medicaid-dominated and Medicaid- only managed care plans.

Source: 1) Kaiser Family Foundation; "Medicaid: A Timeline of Key Developments"; retrieved 16 Nov. 2010; http://kff.org/medicaid/medicaid_timeline.cfm.
2) Kaiser Commission on the Medicaid and Uninsured, *Medicaid and Managed Care: Key Data, Trends, and Issues* (Washington D.C., 2010), 2.

Growth of Medicaid Managed Care

Percentage of Medicaid Beneficiaries Enrolled in Medicaid Managed Care, 1983 – 2009

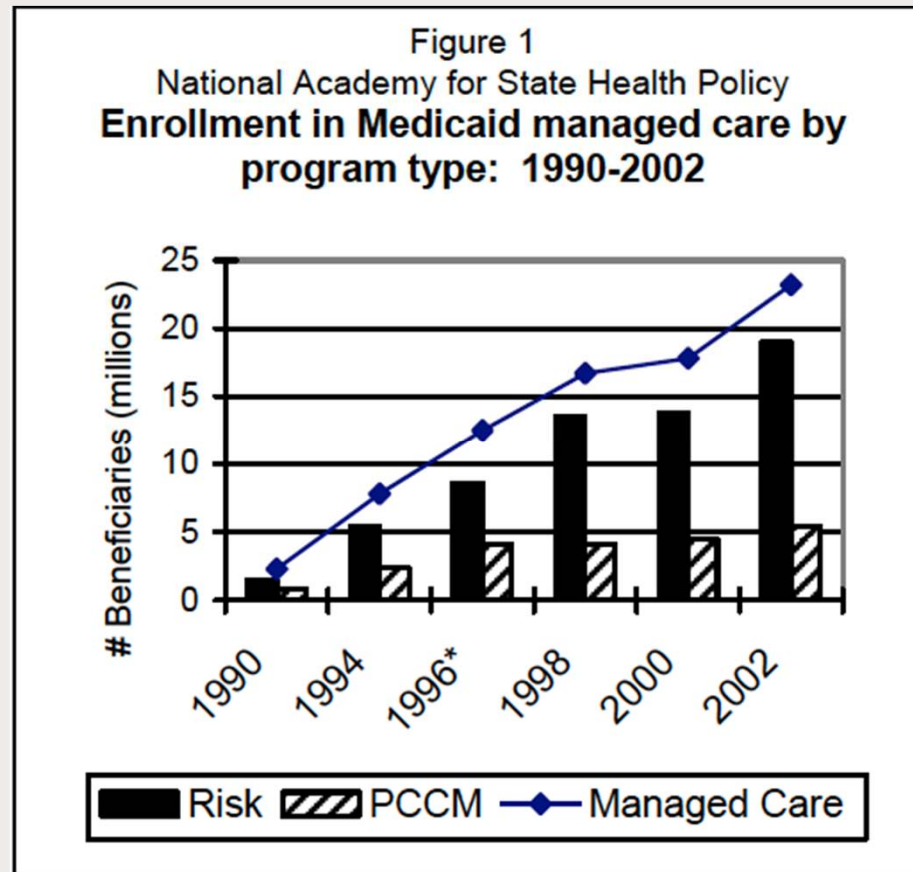


Source: Centers for Medicare & Medicaid Services. Medicaid Managed Care Enrollment Report as of June 30, 2009.

Types of Managed Care

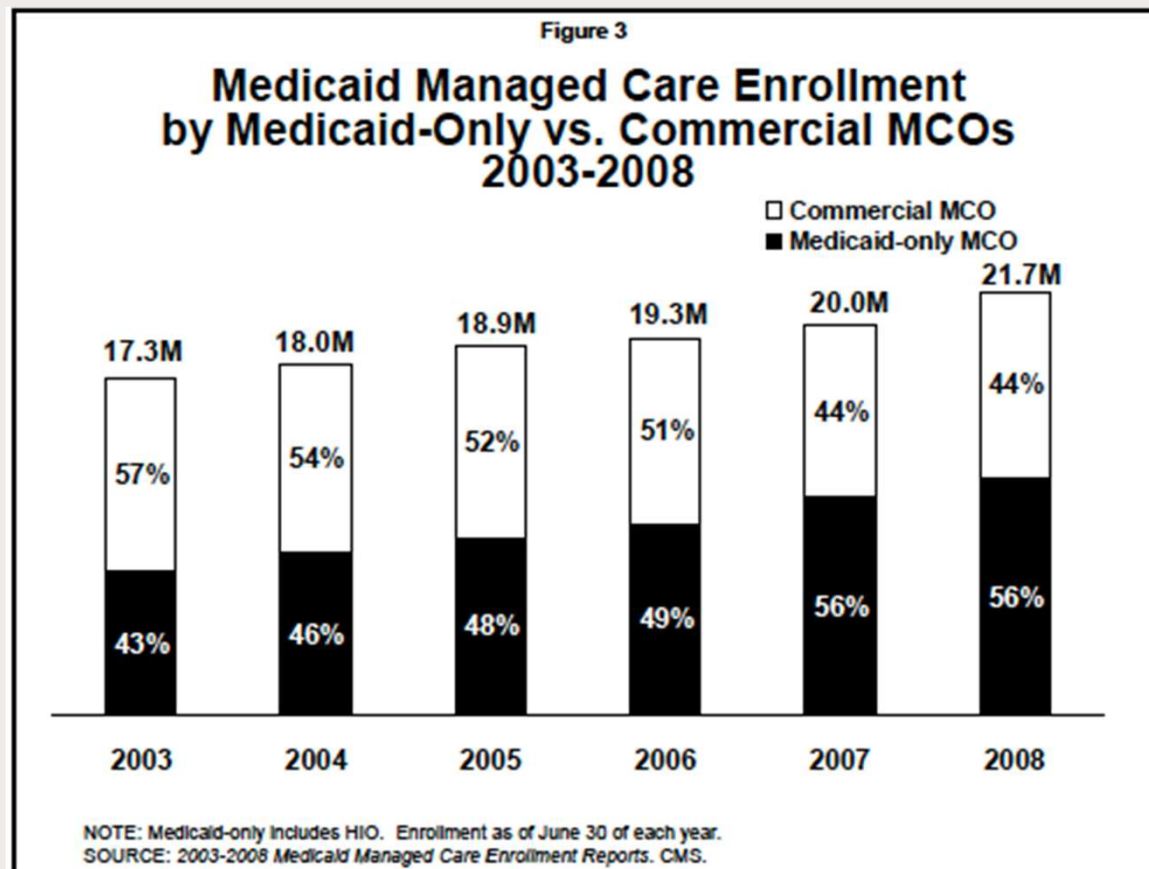
- Commercial HMOs
- Medicaid Only or Medicaid Dominant Plans
- Safety Net Plans
- Primary Care Case Management (PCCM)
- Carve Out Plans

Enrollment in Medicaid managed care by program



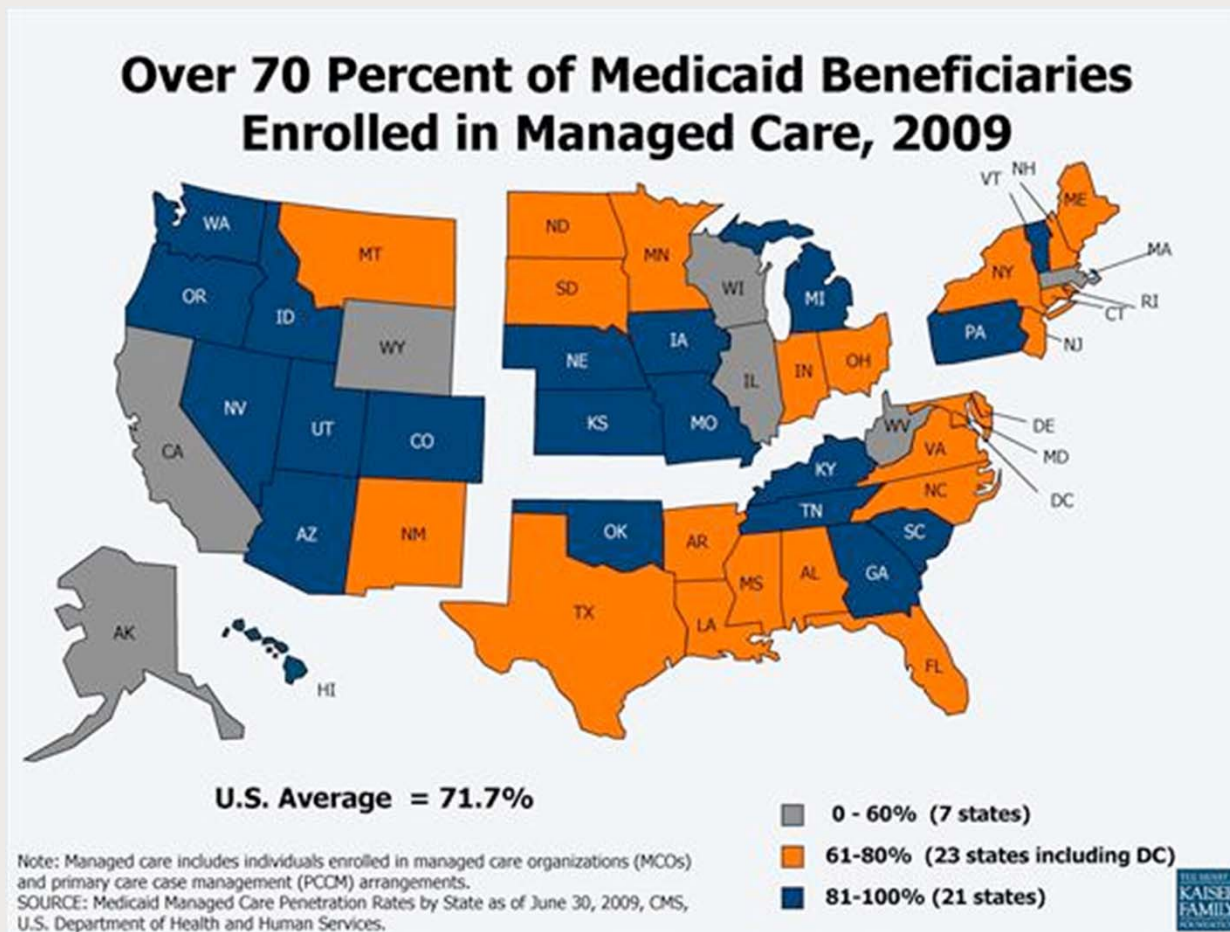
Source: Kaye, *Medicaid Managed Care: Looking Forward, Looking Back* (Portland, ME: National Academy for State Health Policy, 2005), 1.

Enrollment in Medicaid-Only vs Commercial MCOs



Source: Kaiser Commission on the Medicaid and Uninsured, *Medicaid and Managed Care: Key Data, Trends, and Issues* (Washington D.C., 2010), 3.

Prevalence of Managed Care



Source: Kaiser Family Foundation, "Over 70 Percent of Medicaid Beneficiaries Enrolled in Managed Care, 2009", retrieved 16 Nov 2010, <http://facts.kff.org/chart.aspx?cb=56&sctn=154&ch=999>.

Louisiana Managed Care

Medicaid Managed Care Enrollees as a Percent of State Medicaid Enrollees, as of June 30, 2009

| LA | US |
|-------|-------|
| 68.7% | 71.7% |

Enrollees in Comprehensive Medicaid Managed Care Plans as a Percent of State Medicaid Enrollees, as of June 30, 2009

| LA | US |
|------|-------|
| 0.0% | 46.5% |

Source: State Health Facts, "Louisiana: Medicaid Managed Care Enrollees as a Percent of State Medicaid Enrollees, as of June 30, 2009", Kaiser Family Foundation, retrieved 17 Nov 2010, <http://www.statehealthfacts.org/profileind.jsp?ind=217&cat=4&rgn=20&cmprgn=1>.

State Health Facts, "Enrollees in Comprehensive Medicaid Managed Care Plans as a Percent of State Medicaid Enrollees, as of June 30, 2009", Kaiser Family Foundation, retrieved 17 Nov 2010, <http://www.statehealthfacts.org/profileind.jsp?ind=830&cat=4&rgn=20&cmprgn=1>.

Louisiana Managed Care

Medicaid Enrollment in Managed Care by Plan Type, as of June 30, 2009

| | LA # | US # |
|-------------------|---------|------------|
| Commercial MCO | 0 | 10,284,082 |
| Medicaid-only MCO | 0 | 13,176,581 |
| PCCM | 729,219 | 7,275,241 |
| PIHP | 0 | 8,593,773 |
| PAHP | 0 | 8,162,741 |
| PACE | 119 | 17,091 |
| Other | 0 | 2,113,534 |

State Health Facts, "Louisiana: Medicaid Enrollment in Managed Care by Plan Type, as of June 30, 2009", Kaiser Family Foundation, retrieved 17 Nov 2010, <http://www.statehealthfacts.org/profileind.jsp?ind=218&cat=4&rgn=20&cmprgn=1>.

Louisiana

- Commonwealth Fund State Scorecard

| Rankings | | |
|--------------------------------|----------------|--|
| | 2009 Scorecard | Revised 2007 Scorecard ^a |
| OVERALL | 49 | 46 |
| Access | 37 | 34 |
| Prevention & Treatment | 45 | 44 |
| Avoidable Hospital Use & Costs | 51 | 51 |
| Equity ^b | 42 | 35 |
| Healthy Lives | 46 | 48 |

Source: Commonwealth Fund, "Louisiana State Scorecard", Retrieved 16 Nov 2010, <http://www.commonwealthfund.org/Maps-and-Data/State-Scorecard-2009/DataByState/State.aspx?state=LA>.

Why Managed Care?

- Reallocate Resources
 - Upstream
 - Management and Coordination
 - Payment
- Selectivity
- Quality Improvement
- Quality Measurement

Models Vary By Group

- Low income families
- People with disabilities
- Dually eligible (Medicare and Medicaid)

Accountability

- Access
- Outcomes
- Processes
- Financial
- Providers
- Patients

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