



Trends in Risk-Based Medicaid Managed Care: A National Overview

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for

Medicaid Managed Care in the Era of Health Reform

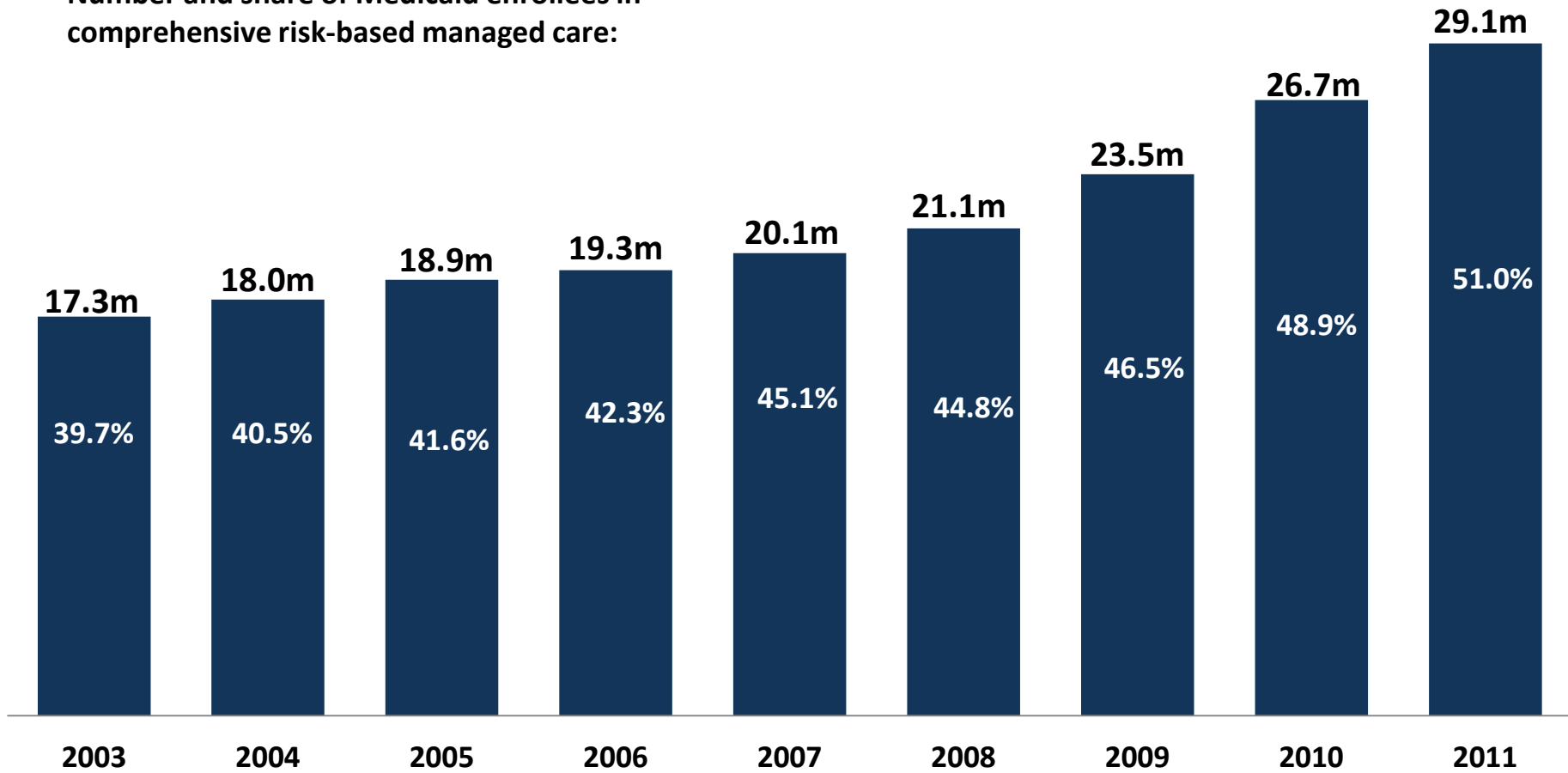
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Washington, DC

Figure 1

Medicaid enrollment in comprehensive risk-based managed care has been climbing steadily.

Number and share of Medicaid enrollees in comprehensive risk-based managed care:



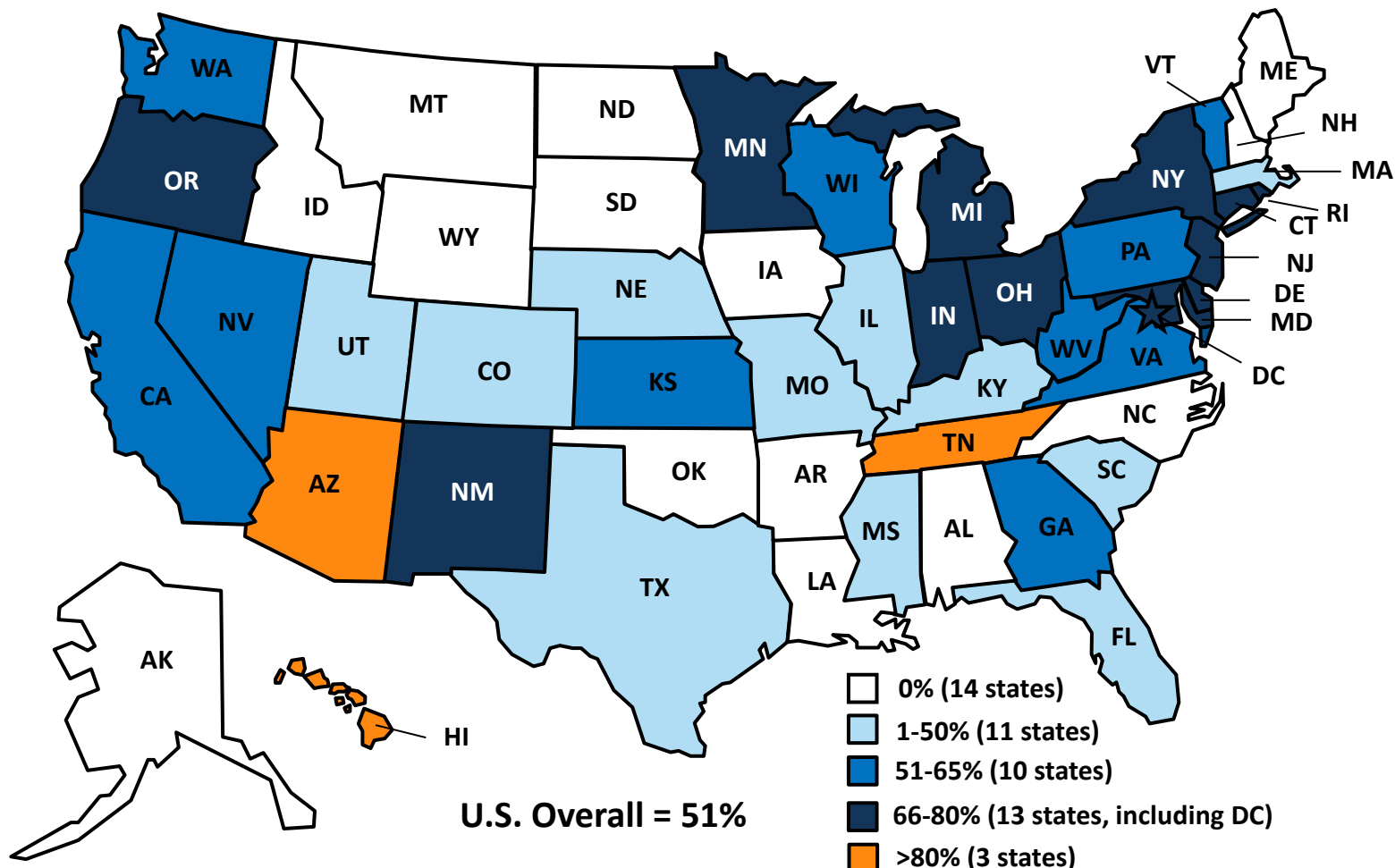
NOTE: Comprehensive risk-based managed care includes Health Insuring Organizations (HIO), comprehensive managed care organizations (MCO), and Program of All-Inclusive Care for the Elderly (PACE).

Source: Medicaid Managed Care Enrollment Reports, 2003-2011, CMS.

Figure 2

In 26 states, over half of Medicaid beneficiaries are enrolled in comprehensive risk-based plans.

Penetration of comprehensive risk-based managed care, July 1, 2011:

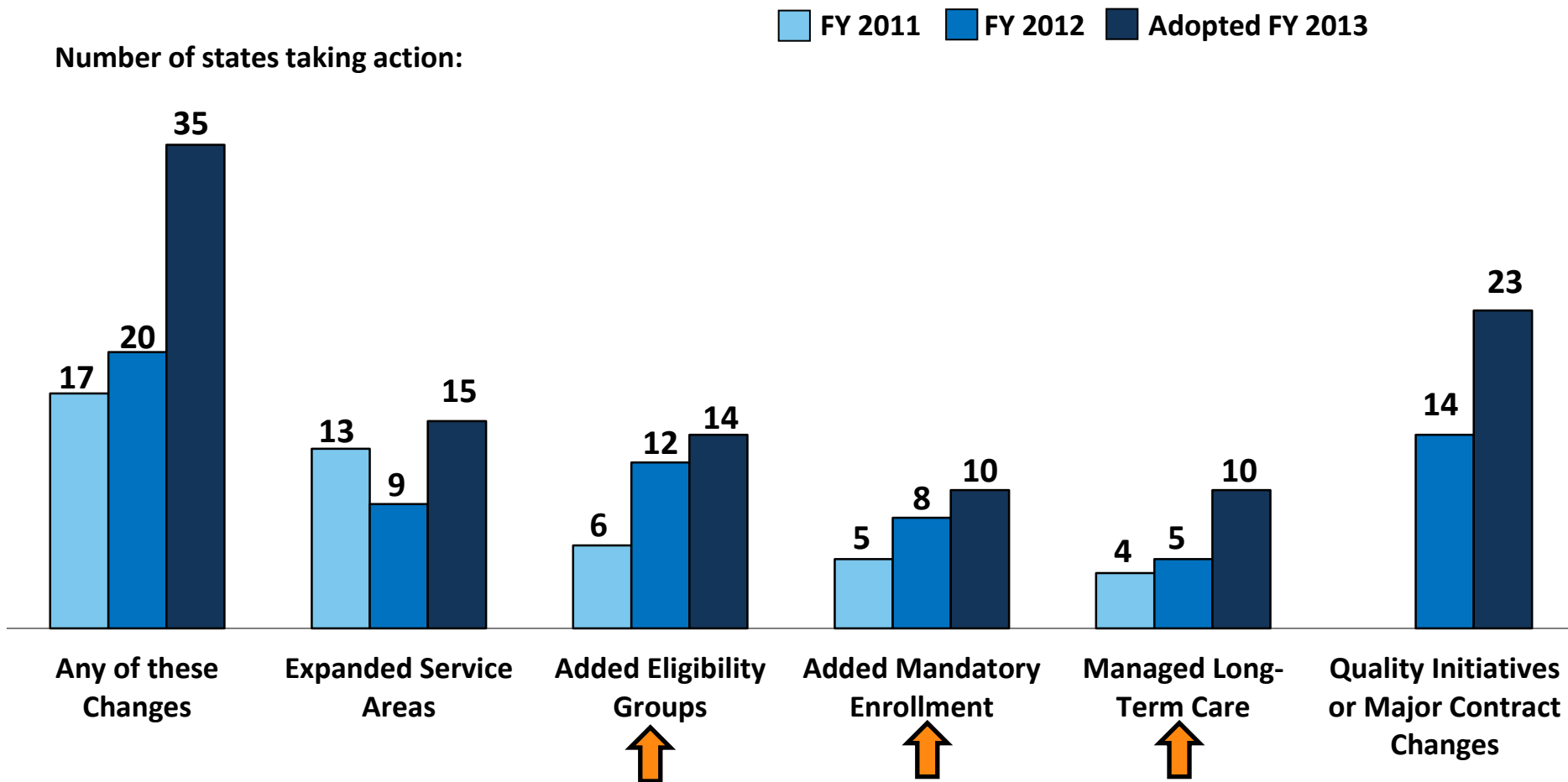


NOTE: Comprehensive risk-based managed care includes Health Insuring Organizations (HIOs), comprehensive managed care organizations (MCO), and Program of All-Inclusive Care for the Elderly (PACE).

SOURCE: Medicaid Managed Care Enrollment Report, Summary Statistics as of July 1, 2011, CMS, 2012.

Figure 3

States are expanding their use of managed care in Medicaid through a range of actions.



NOTE: States were asked to report new initiatives or expansions in these areas; the data do not reflect ongoing state efforts in these areas. While states have reported managed care quality initiatives in the past, there was not a comparable count available for FY 2011.

SOURCE: KCMU survey of Medicaid officials in 50 states and DC conducted by Health Management Associates, October 2011 and 2012.

Medicaid expansion and delivery/payment system reform activity signal a larger role for managed care for high-need populations.

- States are expected to rely primarily on MCOs to serve the millions of uninsured adults <139% FPL who will gain Medicaid coverage under the ACA.
 - Many are in fair or poor health, have multiple chronic conditions, and/or have a mental illness or substance use disorder.
 - 40% are extremely poor, more than 1/4 did not complete high school; many have no experience using health insurance or managed care systems.
- Both states and MCOs are implementing initiatives to better coordinate and integrate care, often focused on populations with chronic and complex conditions and disabilities.
- Increasingly, states are expanding risk-based managed care to include dual eligible beneficiaries, the frailest and most medically complex population in Medicaid.
 - Almost 1.2 million dual eligible beneficiaries in 33 states – about 13% of all dual eligible beneficiaries – are enrolled in these plans for their Medicaid services.
 - State demonstrations to integrate care and align Medicare and Medicaid financing for dual eligibles may include as many as 2 million of these ~ 9.2 million seniors and younger people with disabilities; most of the 21 state proposals employ a capitated model.