THE HENRY J. KAISER FAMILY FOUNDATION

THE KAISER COMMISSION ON
Medicaid and the Uninsured

Transitioning Beneficiaries with Complex Care Needs to Medicaid Managed Care: Lessons from California

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Figure 1

Expansion of Medicaid Managed Care in California
(1115 Bridge to Reform Waiver)

- Transition of Seniors and People with Disabilities (SPDs) from FFS to Medi-Cal managed care
  - 240,000 Medi-Cal-only SPD beneficiaries transitioned in 12 months
  - Medi-Cal-only SPDs= 16% seniors, 73% adults with disabilities*
  - 24% of the population, but 42% of FFS Medi-Cal expenditures
  - 66% receive treatment for 3+ conditions; 38% receive treatment for >6 conditions in one year*
- Low Income Heath Program (LIHP)
  - Expands Medi-Cal to individuals up to 200% FPL
  - Over 85% of LIHP enrollees are in counties with Medi-Cal managed care
- Cal MediConnect
  - Beneficiaries eligible for both Medicare and Medi-Cal (dual eligible beneficiaries)
  - 456,000 beneficiaries will be enrolled in Cal MediConnect plans beginning January 2014

*California Department of Health Care Services. *The transfer of Medi-Cal Seniors and Persons with Disabilities to the Managed care delivery model*, power point presentation (August, 2011).

Figure 2

Study Approach

- Methods
  - 59 telephone interviews with medical providers, health plans, advocacy groups, and community-based organizations (CBOs) serving SPDs
  - Contra Costa, Kern, and Los Angeles Counties

- Objectives
  - Examine how the transition to managed care affected care delivery for Medi-Cal-only SPDs;
  - Identify challenges faced by health plans, CBOs, and providers during the SPD transition;
  - Identify potential strategies and lessons learned; and
  - Inform future managed care transitions.

Figure 3

Transition Readiness: Data and Information Sharing

The transition necessitated sharing of data and information across many entities.

- DHCS ⟷ beneficiaries
  - Notification of switch/choice forms
  - Consumer protections
- DHCS ⟷ health plans
  - Beneficiary contact info
  - Medical and prescription histories
- Health plans ⟷ beneficiaries
  - Send new member card
  - Conduct Health Risk Assessment
  - Education about health plan navigation
- Health plans ⟷ providers
  - Health Risk Assessment results
  - Beneficiary medical and prescription histories
  - Provider education and training
- Provider ⟷ provider
  - PCP and specialists
  - PCP and mental health providers

Figure 4

Transition Readiness: Data and Information Sharing

- Challenges for state and health plans
  - Incomplete beneficiary contact information
  - Health history not provided soon enough to guide provider recruitment or assignment of non-choosing beneficiaries
- Challenges for providers
  - Medical and prescription histories didn't arrive in time for first appointment
  - Information in the health risk assessment was not useful to providers
- Strategies to improve data and information sharing
  - Work with other county organizations or CBOs to reach out to beneficiaries
  - Allow for a 60-day waiting period between enrollment and using a plan to allow for transfer of medical histories

Figure 5

Developing Adequate Provider Networks

- Challenges to network expansion
  - Difficulty recruiting primary care providers with expertise in complex care management
  - Difficulty recruiting specialists
  - FFS Medi-Cal doctors reluctant to join managed care

- Strategies to improve provider recruitment
  - Market the benefits of managed care to providers
  - Incentivize providers to join Medi-Cal managed care plans
    - Higher reimbursement, P4P, streamlined paperwork
  - Transfer beneficiary utilization data early to target provider recruitment

Figure 6

Increased Strains on Organizational Resources

- Challenges for health plans
  - Reimbursement rates don't reflect utilization of mandatory SPDs
  - SPD Beneficiaries call member services line 4x as often as others
- Challenges for providers
  - Already over burdened practices take on more SPD patients
  - Providers lack expertise with the complex care needs of SPD patients
  - Patients with greater need for urgent care/same day appointments/more frequent appointments
  - Providers providing uncompensated care for beneficiaries in active treatment
- Challenges for CBOs
  - Provided assistance to beneficiaries during transition but were not compensated
- Strategies to ease organizational strain
  - Collaborations across organizations to pool resources
  - Restructure appointment scheduling for more urgent care
  - Provide automatic delays or exemptions for beneficiaries in active treatment

Figure 7

Increased Need for Care Coordination

- Health Plans, providers, and CBOs increased care coordination, but the transition created the need for more
- Challenges for primary care providers
  - Spending more time on authorizations and denials
  - Not trained in care coordination
- Challenges for health plans
  - Increase in use of member services lines, need to expand member service hours
- Challenges for CBOs
  - Often the front lines of serving SPDs, but not reimbursed for time spent on care coordination
- Strategies for improvement
  - Training for PCPs and other staff for authorizations and appealing denials
  - Collaboration with organizations that serve specific segments of SPD population

Looking Ahead

- Though managed care has the potential to improve care in the long run, transitions of beneficiaries with complex care needs can cause initial disruptions in care.

- Key steps can help ensure plan and provider readiness
  - Early transfer of beneficiary FFS utilization data
  - Anticipate challenges to expanding provider networks
  - Anticipate changes to beneficiary population
  - Restructure organizational resources
  - Develop partnerships across entities serving SPDs