Shaping and Responding to Marketplace Dynamics

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Today’s Presentation

▪ About ACAP
▪ How the Industry Is Evolving
▪ How Plans are Responding
  • Care Management
  • Payment Reform
  • Organizational Changes
▪ How Beneficiaries See This
About ACAP

**Mission:** to represent and strengthen not-for-profit safety net health plans as they work with providers and caregivers in their communities to improve the health and well-being of vulnerable populations in a cost-effective manner.
ACAP’s 58 Plans Are In 25 States, Covering More than 9.5 Million Individuals

For a list of plans, visit communityplans.net.
The View from Way, Way Up High: How the Industry Is Responding
Enrollment in Medicaid Managed Care and Other Medicaid Systems of Care, 2001-2010

Total: 36.5M

Source: Centers for Medicare & Medicaid Services, National Summary of Medicaid Managed Care Programs and Enrollment 2011.
Enrollment in Medicaid-Focused Health Plans has Tripled Since 1998

Source: Centers for Medicare & Medicaid Services, National Summary of Medicaid Managed Care Programs and Enrollment 2011.
Among For-Profits, The Watchword is “Acquisition”

Amerigroup Stockholders Approve Merger Agreement With WellPoint

(RTTNews.com) - Amerigroup Corp. (AGP) announced that its stockholders approved the merger agreement with WellPoint Inc. (WLP). Amerigroup stockholders voted at a special meeting of stockholders held earlier today to approve the adoption of the merger agreement.

Of the shares voting at today’s special meeting of stockholders, 97.6% approved the merger agreement, which represented approximately 80% of Amerigroup stock as of the August 27, 2012 record date. A quorum of approximately 67% of Amerigroup stock as of the August 27, 2012 record date was also present.

Aetna to Acquire Coventry Health Care

Health care giant Aetna Inc. (AET +0.85%) said Monday it has struck a deal to buy Coventry Health Care Inc. (CVH +0.40%) for $5.7 billion in cash and stock, a move that will make Aetna one of the largest providers of government-financed health care.
For Non-Profits, It’s “Partnerships”
Mostly…
The View from Up High: How Plans Are Responding
Changes in Care Management: Plans Adopt High-Touch Models

- More face-to-face care management (vs. telephonic); provider-based solutions also adopter

- **Westchester CARES Action Program:**

  Hudson Health Plan / Beacon intensive care mgmt. program for people with chronic, complex conditions
  - Brings medical/behavioral/substance abuse case management into one program; pts have single point of contact.
  - 250 participants – all have chronic conditions; 75% have behavioral health issues; 72% substance abuse; 40% homeless
  - Reduced inpatient hospital stays 46%; ER visits 15%
Changes to Care Management: Plans Promote Patient-Centered Medical Homes

- ACAP plans focused on:
  - Improving Access to 24 hour care
  - Primary and Preventive Services
  - Care Coordination
  - Emphasis on Quality
    - Value-based purchasing and P4P
  - Sharing Information with Providers
  - Member Satisfaction

- Same as Medical Home principles
  - Difference is where care coordination and case management occur – at primary care provider (PCP) office level or plan level
CareSource Medical Home

- **CareSource**, in Ohio, has developed a medical home model that includes sharing of electronic health data with all providers who are interacting with the plan member.
- Incentive-based reimbursement to reward patient engagement and performance.
- Includes virtual and on-site care management.
- Developed with providers using member input.
Changes to Payment

- UPMC/RWJF: Payment Reform for Medically Complex Pediatric Care
  - $440K over 3 years (2012-2015)
  - Payers, providers, and families working together to improve outcomes and reduce costs for medically complex children
  - Design/document replicable methods and strategies to be used as a roadmap for design, implementation, and evaluation of similar payment reforms
UPMC’s Proposed Payment Model: A Three-Pronged Approach

Global Payment
Condition-adjusted per-patient payment to cover services for all providers who manage care of a medically complex child over a one-year period.

Consumer-Directed Accounts
Families with medically complex children can control and direct Medicaid funds for medically necessary in-home and/or other goods and services.

Shared Savings
Reduction of avoidable health care spending and savings over one-year time period is shared with providers.
In Some States, Plans are Going Through Organizational Changes

- **Connecticut**: ACAP-member plan Community Health Network of CT appointed state ASO.

- **Colorado**: State embracing the ACO model; plans are supporting ACO entities.

- **Oregon**: Moving to local CCO model. Many plans providing significant health plan services (claims, provider networks, UM, IS) in pass-through model. Committed to community-wide spending cap.
…And 2014 Portends Changes in Plan Markets

- Some plans will begin to have substantial commercial coverage through the Exchange or the Basic Health Program
  - Helps maintain continuity of care as members shift eligibility
  - 12 months continuous coverage would help…
The View from Up Close: How Beneficiaries Are Responding
Members of Medicaid MCOs are More Likely to Rate Their Plan Highly

CAHPS 2011 Overall Health Plan Rating, 2011

Rating of 9 or 10  Rating of 7 or 8

Source: CAHPS 2011 data, Agency for Healthcare Research and Quality. Categories with an asterisk denote results calculated through an ACAP analysis of CAHPS data.
ACAP 2012 Scholarship Winner: Quinnita Bellows

- ACAP organizes an annual essay scholarship program to highlight the benefits of Medicaid managed care.
- Quinnita Bellows: 2012 winner.
  - Sophomore at Grinnell College.
  - Nominated by Family Health Network of Chicago.
- Close relationship with PCP and health plan inspired Ms. Bellows to pursue career in psychology/social services.
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