



**Dual Eligible Pilot
(Cal MediConnect)
Coordinated Care Initiative &
Covered California**

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June 21, 2013
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**ACA = System Re-Design &
Innovation**

**Any innovation initiative or project
has two key components:**

- 1. IT IS NEW TO YOU, and in the case of
ACA (ObamaCare), new to an entire
industry!**
- 2. CERTAIN TO HAVE UNCERTAIN
OUTCOMES!**

Disruptive, social re-engineering, with regional/local geographic
demographic variation. Hence, demonstration pilots, and risk.



The ROI of Reform 2014-17

National Profile – Where we are now.

Compensation and readiness-

2013- only 20% of US physicians feel they are “very prepared” and have the necessary infrastructure to support quality and outcomes-based management.

2013- 77% of US physician compensation is tied to FFS (production/volume-based payments). In CA, this figure is significantly lower due to the “delegated model” of coordinated, integrated medical groups taking capitation payments. More HMO and less PPO payments are imbedded in the ACA as it rolls out over next ten years.

Next 3 year performance movement with ACA

Cost of care efficiency gains – from 16 to 67%

Quality-based provider incentives - from 65-85%

SOURCE: May, 2013 HFMA McKesson Survey



California's Coverage Expansion - Continuity of Care Initiative (CCI)

- A voluntary three-year demonstration to coordinate Medi-Cal and Medicare benefits across health care settings.
- **Maximize the ability of beneficiaries to remain safely in their homes and communities, with appropriate services and supports, in lieu of institutional care.**
- Improve continuity of care across acute care, long-term care, behavioral health, and home-and community-based services settings.



California's CCI Goals

- Promote a system that is both **sustainable, person-and family-centered**, and enables beneficiaries to **attain or maintain personal health goals**.
- **Provide timely access to appropriate, coordinated health care services and community resources**, including home-and community-based services and mental health and substance use disorder services.
- **Rates still TBD** - first attempt fell short.



CCI Counties

- Los Angeles
- Orange
- San Diego
- San Mateo
- San Bernardino
- Riverside
- Alameda
- Santa Clara



Profile of Dual Eligibles

- “Dual Eligibles,” or “Medi-Medis,” are **people with both Medi-Cal and Medicare coverage**
- Low-income seniors and people with disabilities
- About 465,000 Duals in the eight Coordinated Care Initiative (CCI) counties eligible for Cal MediConnect
 - 76% have one or more chronic conditions (84% in Los Angeles County)
 - 39% are in a long-term care facility or receive long-term services & supports (45% in Los Angeles County)



Who Will Be Included in Cal MediConnect?

- **People who are eligible for both full benefit Medicare and Medi-Cal in the CCI counties**
- **With the exception of:**
 - Beneficiaries under age 21
 - Beneficiaries with End Stage Renal Disease (ESRD) (kidney failure)
 - Beneficiaries with developmental disabilities receiving services through Regional Centers or a State Developmental Center
 - Enrollees of selected waiver programs



Los Angeles County Dual Eligibles

274,000

Cal MediConnect Eligible
Participants

* The MOU included a 200,000 cap on Cal MediConnect enrollment in Los Angeles County.

~\$6 Billion

Spent in 2010

~\$29,000

Annual Expenditure Per
Beneficiary

Los Angeles County:

- Has the largest concentration of Dual Eligibles in the nation as well as the established infrastructure to care for this population
- Accounts for ~64% of state's combined Medi-Cal / Medicare expenses on Dual Eligibles
- Has a well-established Two-Plan Medi-Cal model and a host of committed stakeholders interested in piloting a coordinated care approach to serving Dual Eligibles



Current Benefits for Dual Eligibles

Medicare Benefits	Medi-Cal Benefits
<ul style="list-style-type: none"> Medical Care <ul style="list-style-type: none"> ✓ Doctor and Specialist Visits ✓ Lab Work ✓ X-Rays Hospital Stays Prescription Medications Mental/Behavioral Health Medical Equipment and Supplies 	<ul style="list-style-type: none"> Long-Term Care <ul style="list-style-type: none"> ✓ Skilled Nursing Facilities Long-Term Services and Supports (LTSS) <ul style="list-style-type: none"> ✓ In-Home Supportive Services (IHSS) ✓ Community-Based Adult Services (CBAS) ✓ Multipurpose Senior Services Program (MSSP) Non-Emergency Transportation Medical Equipment and Supplies not Covered by Medicare (e.g., Hearing Aids) Home- and Community-Based Waiver Programs



Duals – Unique Challenges

- High cost of care, high utilization and chronicity due to historic lack of coverage, and use of ED as point of access to care.
- High behavioral/substance abuse co-morbidities (occurring in as many as 80% of Duals)
- Non-adherence to medication
FACTOID – Accounts for nearly \$371B annually with diabetes patients accounting for 1/3 of this cost!



Cal MediConnect Integrated Benefits*

* Benefits apply to LA County Pilot

One Coordinated Set of Benefits

- **Medical Care**
 - ✓ Doctor and Specialist Visits
 - ✓ Lab Work
 - ✓ X-Rays
- **Hospital Stays**
- **Prescription Medications**
- **Mental/Behavioral Health**
- **Medical Equipment and Supplies**
- **Long-Term Care**
 - ✓ Skilled Nursing Facilities
- **Long-Term Services and Supports (LTSS)**
 - ✓ In-Home Supportive Services (IHSS)
 - ✓ Community Based Adult Services (CBAS)
 - ✓ Multipurpose Senior Services Program (MSSP)
- **Non Emergency Transportation**
- **Home and Community-Based Waiver Programs**



The Cost/Revenue/Volume Challenge

- Adding this population while cutting provider reimbursements (hospitals and physicians) has payers, providers concerned about sustainable financials over time.
- Anticipate closures, consolidations, collaborations, competition, service cuts, and re-purposed missions and services provided.
- Our “new reality” in a reformed, more rational system of patient-centered, affordable care.

California’s transformational efforts in policy and operational change initiatives are **positioning us well to adapt and demonstrate** the ACA vision. We will learn as we “go”, but we must go **NOW!** **A NEW AGE OF COOPERATION and COLLABORATION** has arrived!



Timeline (Subject to Change)

Activities	Timing
DHCS Awarded First Four Counties Duals Demonstration Project	April 2012
L.A. Care & DHCS Initiated Public Education Efforts	Summer 2012
CMS-DHCS MOU Is Signed	March 2013
Health Plans Receive Preliminary Rates	May 2013
3-Way Contracts	August 2013
Dual Eligibles begin receiving notices about voluntary enrollment into Cal MediConnect	October 2013
Voluntary Cal MediConnect Coverage Begins (passive enrollment in LA County)	January 2014



Dueling over Duals – Unfinished Business

- Provider/Plan Rate Negotiation Process
Plans must achieve a small margin, but hospitals and physicians must cover the cost of care, too!
Underway, but not complete.
- Network Adequacy and Plan infrastructures to pay claims. **Unfinished (L.A. Care and Health Net to publish.)**
- Enrollment Process - **Strategy for L.A. County Pilot not completely decided – (Enrollment form issue: birth month vs. zip codes). Voluntary process slated to start 10/1/14, but anticipated completion date of 1/1/14 will likely slip into Spring. Passive enrollment launch would also slide.**



Cal MediConnect Enrollment

- Coverage begins no sooner than **January 2014** *although this is subject to change...*
- 12-month enrollment process.
- No more than 456,000 beneficiaries in total. L.A. County capped at 200,000 enrollees (170,000 anticipated).
- If beneficiaries don't actively choose a health plan, they will be automatically enrolled into either L.A. Care or Health Net.



Cal MediConnect Enrollment

- Beneficiaries can change health plans on a monthly basis
- Beneficiaries can opt out even if they get automatically enrolled.
- BUT - *opting out applies only to Medicare benefits. Beneficiaries must still get their Medi-Cal benefits through a health plan for all Medi-Cal long-term services and any Medicare deductibles or costs.*
- Medi-Cal health plans will be responsible for paying for and providing the LTSS benefit.



Ensuring Continuity of Care

Continuity of current care for Cal MediConnect members will be available for 12 months provided that:

- The member can demonstrate an existing relationship with the physician
- Reimbursement must be at least what Medi-Cal and/or Medicare would have paid
- The physician must be willing to accept plan reimbursement
- There are no physician quality or credentialing issues



What's the golden opportunity?

- One health plan
- One ID card
- One set of benefits
- One phone number to call for support (displayed on card)



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Covered California

- Communicating the options offered between now and January, 2014 = Public Education Challenge with **CRITICAL DECISIONS** facing:
 - Patients and families, (including you and your loved ones)
 - Employers, health plans, hospital employees, physicians
 - Post-acute providers (home health svcs, hospice, medical groups, community clinics, skilled nursing)
- Lots of email and postal service mailings soon to arrive!
- Markets, churches, malls (new role of assisters, paid by CC).



What can Administrative Professionals Do at the office and home?

- Watch for and share the information coming soon to your office and home regarding enrollment for both the Duals and Covered California (The Exchange) – Priority reading for CEO/CFO/Contracting/Managed Care Directors! Become informed on how you and your family, parents will be impacted and how they should choose their options SOON!
 - Eligibility
 - Plan benefits
 - Deductibles and Tax Credits over years 1-3



Legislative Action Pending

- Sacramento legislation in progress is hoped to clarify remaining details as to coverage, timing, and financing. Watch for CHA emails on weekly updates, what bills are being supportive, and which would be seen as harmful to hospitals in California.
- The seismic dynamics of change are upon us!



California is leading the nation!

- We are at the “pointy end of the spear” in moving toward more cost-effective, coordinated and integrated care delivery and finance for U.S. healthcare.
- Change is disruptive, but we cannot afford to miss this opportunity to fundamentally change for the long-term societal benefit; otherwise, the economy could collapse due to the burden of U.S. healthcare spending. This is a time for leadership; other states are watching our efforts.
- **The ACA is a significant beginning, not the end.** The law has flaws, but all laws require fine-tuning. California and the nation will learn from these early efforts at new structures for improved access to care.



Glass half full, or half empty?

“The longest journey begins with the first step!”

California will be the snowplow!

Questions?



Complex to fix; confusing to understand

- Political ideology and rhetoric tilted to personal “re-electioneering” offers constant public confusion and cynicism, further fueled by media spin.
- States vary significantly, thus their readiness to change and move in line with ACA reform policies in short-term is not yet aligned.
- Hesitancy to be “first out of the box” with a new big idea.

The Duals are only a part of the equation, but given the larger context, what do we as stakeholders need to do and expect?

Trust the **California models of coverage expansion** being launched through Covered California, the MediConnect Pilot and supported by the leadership of CHA and HASC.

They represent stretch goals for all of us in transitional times, even as challenging and daunting as they are!

Professional Assistants are a vital communications link to your C-Suite, your co-workers, and community. You work in an industry high on the national radar. You can help others feel less anxious, and guide them to important resources and web sites familiar to you.

