Louisiana Medicaid Enrollment

• Medicaid Enrollment
  – February 2, 2011 – 1,171,028
  – 12 month trend, increase of 4.16%
  – Approximately 27% of Louisiana population

• Enrollment by category (Feb 2, 2011)
  – Children – 685,489
  – Disabled – 172,948
  – Parents – 104,245
    • Pregnant women -25,851
  – Family Planning – 70,426

• Projected enrollment June 2011 – 1,235,711

• Affordable Care Act impact
  – Estimated new LA enrollees 645,843 (by SFY 2023)
Louisiana Medicaid Budget

• FY 2011 Medical Vendor Payment Budget
  – Total: $6,507,479,386
  – Federal: $4,846,513,014

• State FY 2008 Vendor Payment Budget
  – $5,921,726,841

• FY 2011 Medical Vendor Administration Budget
  – $260,433,840
  – 1237 employees

• Top provider groups by expenditures
  – Private hospitals, outpatient and inpatient
  – Nursing homes
  – LSUHCSD, LSUHSC-S
  – Pharmacy
  – Physicians
Louisiana Medicaid Expenditures

Enrollee Type

- Children: 58%
- Adults: 14%
- Disabled: 19%
- Elderly: 9%

Enrollee Payment

- Children: 23%
- Adults: 11%
- Disabled: 48%
- Elderly: 18%

2009 Medicaid Annual Report
Affordable Care Act of 2010

- Requires most U.S. citizens and legal residents to have health insurance
- Expands Medicaid to 133% of federal poverty level (FPL), with disregard, to 138% of FPL
- Current eligible groups in Louisiana Medicaid
  - Parents of children eligible to 12%FPL
  - CHIP, pregnant women up to 200%FPL
  - Childless adults ineligible at any income
- New LA enrollees 645,843 (by SFY 2023)
Why Reshape Medicaid Delivery System? Why Now?

• Louisiana has one of the poorest health outcomes of any nation
• Care coordination is fragmented
• Access to specialists is limited
• Inappropriate utilization of services
  – High rates of ER utilization
  – High rates of hospitalization
  – High rates of readmission
• Overall poor return for dollars spent
• Infrastructure for major expansion in 2014
What is a Coordinated Care Network?

“A health care delivery system that provides a continuum of evidence-based, quality-driven health care services in a cost effective manner.”

Builds on CommunityCARE, transitioning the Medicaid delivery system from the current fee-for-service system to primarily a fee for service/shared savings or prepaid model of care.

Two models implemented simultaneously:

• Coordinated Care Network – Shared Savings (CCN-S)
• Coordinated Care Network – Prepaid (CCN-P)
Major Differences in Existing CommunityCARE and CCNs

**CommunityCARE**  
(Current PCCM)

- Medical home for primary care only
- No incentives for keeping people well
- Quality outcomes approximately same as non-CommunityCARE

**Coordinated Care Networks (CCN)**

- Advanced patient-centered medical home
- Financial incentives to keep people well
- Framework for significant quality improvement
Differences in CCN Models

**Shared Savings (CCN-S)**

- Provides primary care and coordinates other services
- CCN will receive monthly care management fee
  - Two tiers, $13.31 and $19.66
  - CCN will reimburse $1.50 PMPM to the PCP
- Limited risk (Return up to 50% of enhanced primary care case management PMPM if no savings)
- Shared Savings contingent on quality
- Providers reimbursed by Medicaid on FFS schedule

**Prepaid (CCN-P)**

- Provides all included services
- Monthly, risk adjusted PMPM
- Medical loss ratio - Requirement for portion of PMPM to be spent on health care services and quality initiatives
- Full risk
- Withhold portion of PMPM for not meeting quality expectations
- **Responsible for claims adjudication with prompt pay requirements**
- Current Medicaid FFS rate is minimum reimbursement to provider
Coverage and Benefits

• Medicaid delivery system changes proposed will be through State Plan Amendment (SPA)
• Amount, duration, and scope of services will be no less than those provided to other Medicaid eligibles under fee-for-service
• CCN-Prepaid plans may offer additional services not available under fee-for-service
• CCN-Shared coverage and benefits will be same as fee-for-service
Mandatory CCN Enrollees

- **Families & Children**
  - Medicaid children
  - CHIP children (<200% FPL)
  - Parents < 11% FPL
  - Pregnant Women

- **Disabled, Blind, Elderly**
  - Enrollees with a disability or blind between ages 19 & 65
  - People over age 65

~ 830,000 Mandatory Enrollees
Mandatory Inclusion of Pregnant Women

- Louisiana Medicaid now pays for more than 70% of births in the state.
- One of the highest infant mortality rates of any state.
- Focus on management of high-risk pregnancies can yield quick Return on Investment:
  - Improved birth outcomes
  - Lower NICU costs
Voluntary Enrollees

- Children under age 19 receiving SSI or services through OPH Special Needs Clinics
- Foster Children and children in DSS or OJJ custody
- Native Tribal Americans who are members of a federally recognized tribe

We want them to receive the benefits of better care coordination & access to specialists
- Will be included by default but may opt out (or in) at any time
- If they opt out of the CCN, they will be in fee-for-service Medicaid

About 44,000 Voluntary Enrollees
Excluded Enrollees

- Medicare dual eligibles
- *Chisholm* class members
- Persons in nursing and DD facilities
- HCBS waiver recipients, regardless of age or waiver
- Persons receiving hospice services

*If status of member changes to one of the above, they will revert to FFS effective the first day of following month.*
CCN “Carve Outs”

- Pharmacy
- Dental
- Specialized Behavioral Health
- Hospice
- Targeted Case Management
- GME
- PCS (EPSDT and LTC)
- Nursing Facility Services
- IEP Services Billed Through School Districts

Carve outs will continue to be fee-for-service
Enrollees Will Have Choice of CCN and Choice of PCP

• Existing –and new--Medicaid enrollees will be asked to choose
  – a CCN
  – A Primary Care Provider (PCP) within the CCN
  – Will be linked to requested PCP if capacity exists

• Multiple opportunities for enrollees to affirmatively select their CCN & PCP

• Providers can educate patients on their CCN affiliation

• Automatic assignment if enrollee does not make a choice, weighted to prior provider relationship
Quality Measures with CCNs

• Access and Availability of Care
• Effectiveness of Care
• Use of Services
• Prevention Quality Indicators
• Satisfaction and Outcomes
• Others-
  – Administrative measures
  – Early warning system measures
So How Can We Get Better Outcomes and **Still** Show Savings?

- Reduction in duplicative services
- Reduction in emergency room costs
- Reduction in preterm births and neonatal costs
- Reduction in avoidable hospitalizations
- Reduction in hospital readmissions
- Improved outcomes through early detection and treatment
- Improved outcomes through management of chronic disease
CCN Network Structure

• CCN selection by DHH – both shared and prepaid – will be by RFP process
• PCPs/Specialists can participate in multiple CCNs
• CCNs must demonstrate network adequacy to pass readiness review, including:
  – Minimum specialty/patient ratios
  – Timely access standards
  – Travel distance standards
Important CCN Features

• Prepaid CCNs must pay providers no less than Medicaid FFS rate
• Capitation payment to most CCNs but CCNs contracts with providers can still be fee-for-service
• CCNs cannot require exclusivity; physicians can enroll with multiple entities
• Each CCN can design their own Physician Incentive Program (that meets federal Medicaid rules)
• Must pay 90% clean claims within 15 days of receipt; 99% within 30 days
CCN Benefits to Providers

• Clinical support for patients with chronic and complex medical conditions
• Improved access to specialists for patients
• Feedback on practice specific outcomes
• Potential for providers to share savings
• Flexibility of reimbursement for providers under prepaid plan
• Contracts with CCNs and fees can be negotiated
What Happens to Existing Medicaid?

- FFS Medicaid will still be available
  - for excluded populations and voluntary populations who opt out
  - for carved out services for mandatory CCN populations
- “KIDMED”/EPSDT
  - EPSDT will be provided by the CCNs
  - Will not be known by current DHH marketing name of “KIDMED”
Proposed Timeline for Implementation

- **January 2011** - DHH incorporated the stakeholder input into a revised draft Notice of Intent for discussion at a joint meeting of the Health & Welfare Committees
- **February 2011** - Notice of Intent, along with the economic and fiscal impact statement will be submitted to the Legislative Fiscal Office
- **February 20, 2011** - Notice of Intent will appear in *Louisiana Register*
- **March 2011** - Public Hearing on Notice of Intent
- **May-June 2011** – Submission of Final Rule for publication in *Louisiana Register*
Timeline for Implementation

• April 2011 - RFPs published
• August 2011 - RFPs awarded
• November 1, 2011 - Notification of choice letters to recipients
• January 1, 2012 – CCN begin providing services in first of 3 super-regions; other super regions begin 2 and 4 months later

• Super-regions
  • A - Region 1 (NO) and 9 (Northshore)
  • B - Regions 2 (BR), 3 (Houma), 4 (Lafayette)
  • C - Regions 5, 6, 7, 8
Next Steps - Staying Connected

Use **www.MakingMedicaidBetter.com** as a resource for the latest information, including:

- Sign up for the Making Medicaid Better e-newsletter
- Watch video footage from forums
- Read the latest Medicaid news
- Send in your feedback and questions
- See responses to the most Frequently Asked Questions
Birth Outcomes Initiative

- Initiated by DHH in December 2009
- Focus on Louisiana’s consistently poor rankings in infant mortality and preterm births
- Initiative has dedicated staff and funding
- Charged to identify opportunities to categorize, fund, and implement best practices
- Work collaboratively to improve outcomes
## Louisiana Pregnancy Indicator Rankings

<table>
<thead>
<tr>
<th>Indicator</th>
<th>US</th>
<th>Louisiana</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>Infant Mortality (IMR)/1000 births</td>
<td>6.69</td>
<td>9.92</td>
<td>49</td>
</tr>
<tr>
<td>Pre-term birth/%</td>
<td>12.8</td>
<td>16.4</td>
<td>47</td>
</tr>
<tr>
<td>Low Birth Weight/%</td>
<td>8.3</td>
<td>11.4</td>
<td>49</td>
</tr>
<tr>
<td>Very Low Birth Weight/%</td>
<td>1.5</td>
<td>2.1</td>
<td>49</td>
</tr>
<tr>
<td>Teen birth rate (15-19)/per 1000 population</td>
<td>41.9</td>
<td>53.9</td>
<td>40</td>
</tr>
<tr>
<td>1st trimester prenatal care entry/%</td>
<td>--</td>
<td>87.0</td>
<td>4 of 32</td>
</tr>
</tbody>
</table>

Source: Louisiana Vital Statistics
### Louisiana Medicaid Paid Deliveries (2007)

<table>
<thead>
<tr>
<th>Race</th>
<th>Medicaid</th>
<th>Total Births</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>White</td>
<td>20256</td>
<td>37672</td>
<td>53.8</td>
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<tr>
<td>Black</td>
<td>23164</td>
<td>25698</td>
<td>90.1</td>
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<tr>
<td>Other</td>
<td>1761</td>
<td>2693</td>
<td>65.4</td>
</tr>
<tr>
<td>All races</td>
<td>45181</td>
<td>66063</td>
<td>68.4</td>
</tr>
</tbody>
</table>

In Louisiana, Medicaid pays for almost 70% of all births; the second highest Medicaid birth rate in the Nation.

Source: Louisiana Medicaid
Birth Outcomes Priority Areas

• Prevention of elective delivery prior 39 week gestation
• Implement behavioral health screening and intervention in pregnancy
• Utilization of 17-OH progesterone to prevent repeat preterm births
• Promotion of breast feeding
• Interconception care access and utilization
• Public report cards on birth measures
DISCLOSURE

• The current system(s) fails the recipients of our state

• WE ALL HAVE financial interests in the health care delivery system and its outcomes in Louisiana

• WE ALL HAVE a role in improving health outcomes
Health Care Delivery Changes / Birth Outcomes Initiative

Louisiana’s Practice of Medicine in the Future
Baton Rouge, LA
February 16, 2011

Rodney Wise, MD
Medicaid Medical Director