

Department of Medical Assistance Services



Phase II: Advancing Reforms and Innovation in the Medicaid Delivery System

Presentation to the Medicaid Innovation and Reform Commission



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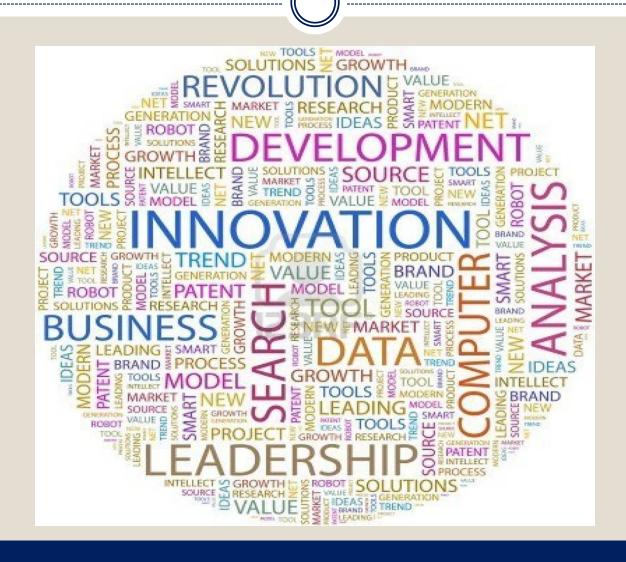
SUMMARY

BACKGROUND AND SUMMARY OF DELIVERY SYSTEM

NEW ADVANCEMENTS AND TRANSFORMATIONS

FUTURE INITIATIVES

Reform and Transform – More Than Mere Words



The Public/Private Partnership



The Department has a public/private partnership with health plans that cover the majority of the Medicaid population and are specifically designed to meet the unique interest of the Commonwealth

Anthem #2
Amerigroup/Wellpoint merger Nov 2012

CoventryCares #4 acquired by Aetna - May 2013

InTotal {INOVA}

Kaiser #3

MajestaCare {Carilion}

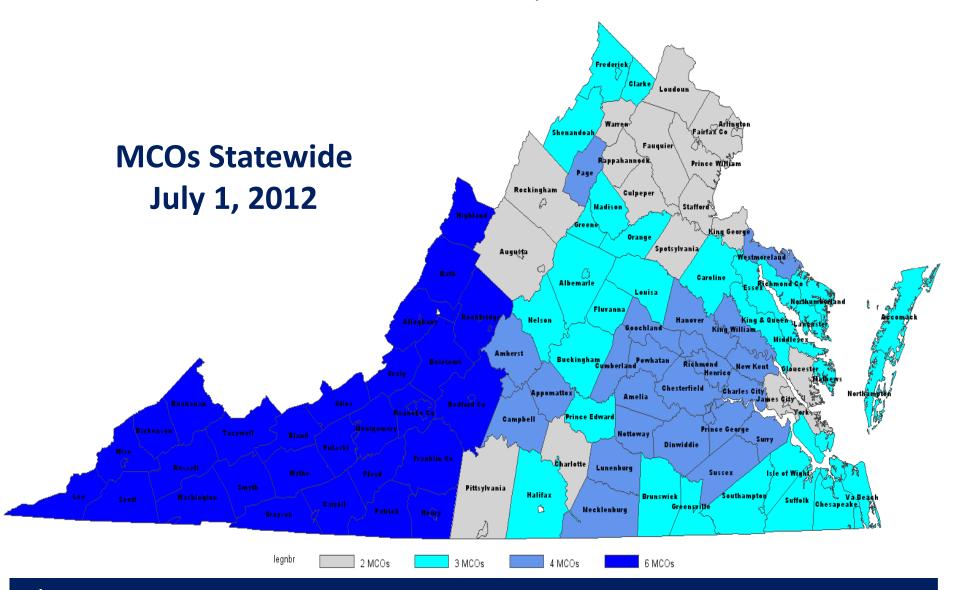
Optima (Sentara)

Virginia Premier {VCU}

DMAS contracts with 3 of the largest health plans in the Commonwealth and country

Virginia Department of Medical Assistance Services

Number of MCOs Per Locality











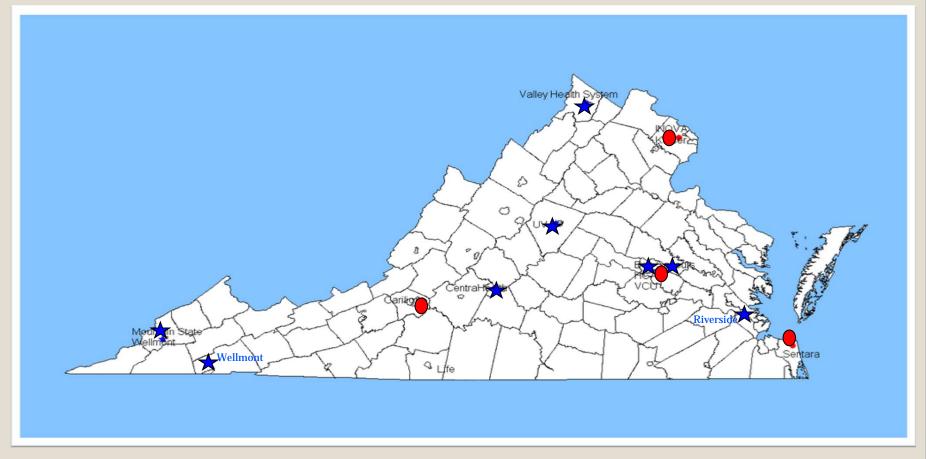






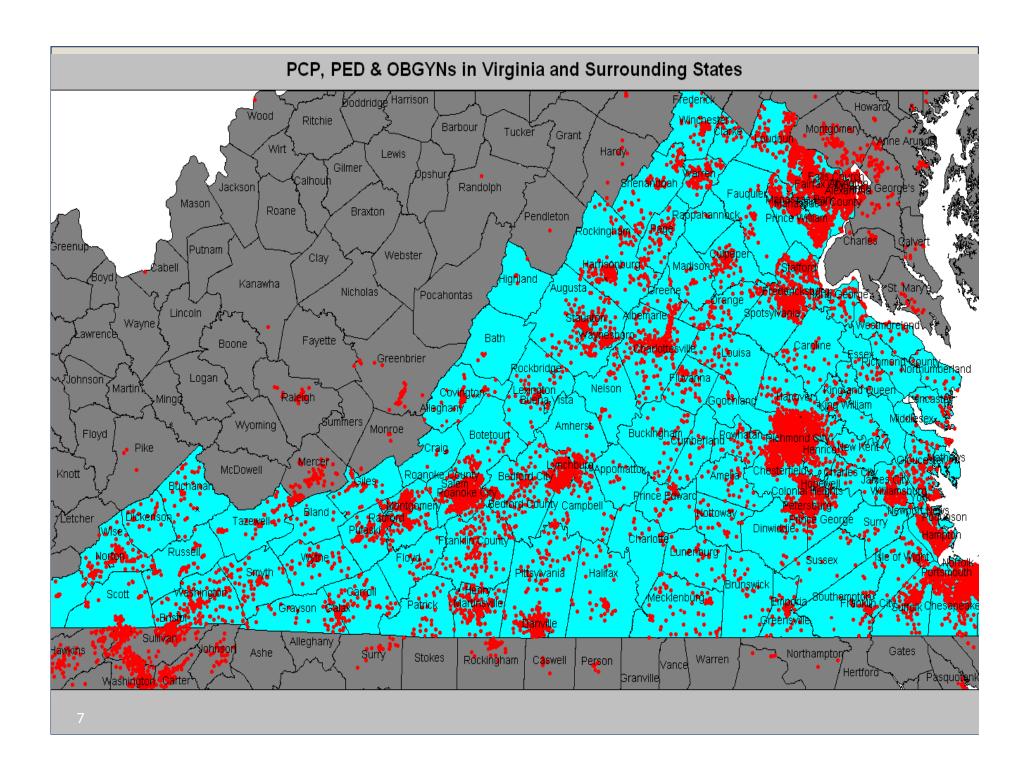


All 12 Major Health Systems in Virginia **Contract with the Health Plans**



- **Bon Secours** ★ HCA
 - **Carilion**
- Centra
- **INOVA**
- **★** Mountain States **★** UVA
- Riverside
- Sentara

- **Valley**
- **VCU**
- Wellmont





The Commonwealth's ROI

Health Plans
provide the
Commonwealth
with access and
services

- Diverse practice models that compete and support the marketplace (physician owned, hospital owned, privately-commercialowned)
- Capacity to recruit and leverage broader provider and specialty networks that are board certified
- Plans and providers utilize physician extenders for access
- Current plans have Commercial, Exchange,
 Medicare, Medicaid products
- O Predictive modeling and care management
- Technological advances
- Clinical and community partnership



The Commonwealth's ROI

Health Plans provide the Commonwealth with flexibility

- The Centers for Medicare & Medicaid Services (CMS) routinely excludes the health plans from burdensome policies and procedures that drive States' fee-for-service delivery systems
- This flexibility enables the plans to design and continuously improve their own programs – both efficiently and effectively
- Plans have flexibility to provide enhanced services and rate structure
- All plans have ACOs and/or medical homes
- All plans can implement commercial benefit packages and copayments
- Health plans are innovative and add new programs to meet the health care needs of the members and administrative challenges of the providers

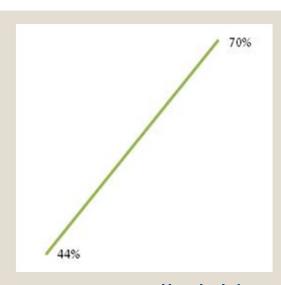


The Commonwealth's ROI

Health Plans
provide the
Commonwealth
with accountability

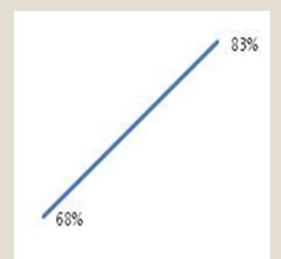
- Moving fee-for-service to a risk arrangement with predictive expenditures and budget certainty
- Full-risk arrangement with DMAS
- Plans are compliant with federal and state regulations and state contract
- Health plan drug rebates through ACA
 resulted in \$468M to the Commonwealth
- Solvency with no excess profit
- Quality control and accountability NCQA accreditation
- Quality performance aligned with the population

Sample of 2012 Quality Results



Six or More Well-Child Visits by 15 months of age **

Up from 44% in HEDIS 2003 to 70% in 2012



Condition Management for
People with Diabetes
(those who had at least one A1-C
test during the year)
**

Up from 68% in HEDIS 2003 to 83% in 2012

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July 1, 2013

- New Program
- New Contract
- Total transformation after:
 - Researching best practices of 13 states
 - Visiting two states Tennessee and Arizona
 - Participating in two National Learning Collaboratives
 - Partnering with
 - Center of Health Care Strategies (CHCS)
 - National Academy for State Health Policy (NASHP)
 - CMS Managed Care Technical Advisory Group (TAG)
 - National Association of Medicaid Directors (NAMD)



DMAS New Business Model

- Developing six business units to support the program:
 - Business Development and Analysis
 - Operations
 - Reporting and Systems
 - Special Populations
 - Contract Compliance and Oversight
 - Financial Rates



Includes Commercial Plan Benefit Features:

- Chronic care and assessments
- Wellness programs
- Maternity program changes
- Enhanced data submission and analysis
- Electronic reporting
- Enhanced program integrity requirements
- Commercial benefit package and cost sharing by 2014



Medallion Care Partnership System (MCSP) – New Payment/Delivery Model

- Each health plan to implement at least two MCSPs to improve health outcomes for Medicaid members through a system designed to integrate primary, acute, and complex health services
- Supports medical homes, limited networks, and regional pilots
- Gain and/or risk sharing, performance-based incentives, or other incentive reforms tied to Commonwealth-approved quality metrics and financial performance, and partnerships with providers and/or health care systems
- Integrated provider health care delivery systems participation, improvement of member health outcomes as measured through risk adjusted quality metrics, and alignment of administrative systems to improve efficiency and member experience
- The models were submitted to the Department October 1



- Withhold an approved percentage of the monthly capitation payment from the health plan
- Funds will be used for the health plan's performance incentive awards
- Awards proportionate to health plan benchmarks achievements for each performance measure
- Implemented in a three-year phased-in schedule and contract modifications have been submitted
- Criteria includes six measures determined by the Department and presented to the Medicaid Physician and Managed Care Liaison Committee

Measures for Quality Incentives

HEDIS Measures

- Combo 3 Immunization Measure: Percent of 2 year olds who are fully immunized
- Percent of Members with Cardiovascular Condition and with Blood Pressure Controlled
- Percent of Members who are Pregnant and Receive Timely Prenatal Care

Process Measures

- Adjudication (pay or deny) of ninety percent (90%) of all clean Virginia Medicaid claims within thirty (30) calendar days of the date of receipt
- Timeliness & Accuracy of Reporting Deliverables
- Assessments Children with Special Health Care Needs (CSHCN)- within 60 calendar days of enrollment. EQRO will establish a baseline through a focused study in 2014

MEDALLION 3.0 Upgrades

Department and Health Plan Collaboratives

- Quality open discussion on challenges, best practices, and lessons learned
- Program Integrity address Department, Medicaid Control Fraud Unit and CMS initiatives
- Regional Provider Forums and Medicaid Physician and Managed Care Liaison Committee - meeting with providers in community to provide a venue for discussion
- Innovation and Reform explore innovative solutions to the cost and health care delivery challenges including administrative simplification and new concepts {e.g., single prior authorization forms}

MEDALLION 3.0 Upgrades

Innovative Concept Example 1: Plans Created Population Health Strategy

- Predictive Modeling
 - Work collaboratively with Primary Care Providers & Specialist to improve health while controlling costs
 - Find the right people (high-risk, high-impact)
 - Intervene early and effectively with integrated information
 - Risk stratify data for actionable health care environment
 - Engage providers in a <u>timely</u> manner with clinical decision support tools
 - Department and plans are is able to monitor effectiveness and outcomes

MEDALLION 3.0 Upgrades

Innovative Concept Example 2: Plans Created HSA Look Alike

- Create a consumer style driven benefit plan to introduce accountability and responsibility into the Medicaid program
- By allowing the member to share in savings, they have a vested interest in more responsible health care consumption
- Program Features:
 - A defined list of service categories that require a member co-pay (ER, DME)
 - Fund a debit card that the member uses to reimburse provider for co-pays
 - The debit card is restricted to co-pays during the plan year
 - Total co-pay exposure is limited to the dollars funded represents the members "maximum out of pocket"
 - Potentially make member responsible for "no-shows" by having them make a co-pay

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2013 -2014 Future

- Foster Care and Adoption Assistance
 - September 1: Hampton Roads/Tidewater
 - O November 1: Central
 - O December 1: Northern VA
 - O 2014: State wideness completed
- Expedited enrollment streamline enrollment process to match new eligibility system and process - July 2014
- Health and Acute Care moving Home and Community-Based clients into health plans for acute care - Fall 2014
- Behavioral Health Services Administrator health plans will work with Magellan on complex cases
- Provide a viable delivery system option to support new initiatives

Thank You



DMAS would like to thank the members of the General Assembly and members of the MIRC for their support of our Medicaid Reform efforts:

- Enhancing of public/private partnerships
- Increased innovation
- New managed care contract
- Additional staff
- Inclusion of more commercial plan benefit features
- New payment/delivery model
- Quality incentives
- Enhanced data and reporting

More Information

- Contract and Quality Reports on DMAS web site
 http://www.dmas.virginia.gov/Content_pgs/mc-home.aspx
- Read Managed Care Value Purchase document
 http://www.dmas.virginia.gov/Content atchs/atchs/wnew
 f1.pdf

