

# Department of Health Care Services









# California's Coordinated Care Initiative

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## Why Coordinated Care?

- Some people with multiple chronic conditions see an average of 14 different doctors and fill 50 prescriptions a year.
- This is common among people with both Medicare and Medicaid, referred to as "dual eligibles," who often are sicker and poorer than other beneficiaries.
- Today's care delivery system is fragmented and doesn't provide the care coordination dual eligibles need. This fragmentation leads to increased risk of admission to the hospital or nursing home.



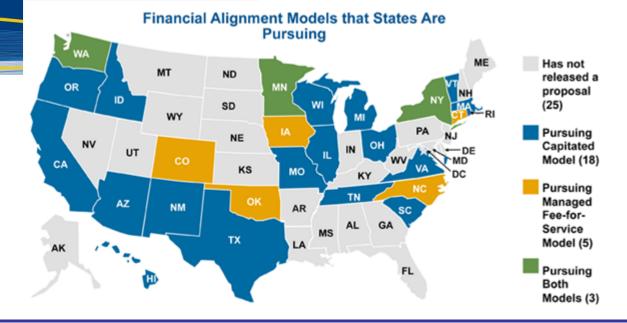
## Federal-State Cooperation



2010 Health Reform Law created the *Medicare-Medicaid Coordination Office* in the Center for Medicare Innovation. Working with states on "financial alignment models."



Medicare-Medicaid Coordination Office Centers for Medicare & Medicaid Services





## State Efforts to Coordinate Care

- California is on the forefront of the movement toward coordinated care.
  - Seniors and Persons with Disabilities
  - Coordinated Care Initiative (CCI), including the Duals Demonstration
  - Community-Based Adult Services (CBAS) as a managed care benefit
  - Expansion of managed care in rural counties



## The Coordinated Care Initiative (CCI)

 Building on many years of stakeholder discussions, the CCI was enacted in July 2012 to expand coordinated care to Medi-Cal beneficiaries in eight counties.

- CCI Legislation:
  - SB 1008 (Chapter 33, Statutes of 2012) and
  - SB 1036 (Chapter 45, Statutes of 2012).



## Reminder: The Differences between Medicare and Medicaid

#### **MEDICARE**

- People 65 or older
- People under 65 with certain disabilities
- People with End-Stage Renal Disease (ESRD) & ALS

#### **MEDICAID** (Medi-Cal)

Low-income Californians

#### Which program pays for what service?

- Hospital Care
- Physician & ancillary services
- Short-term skilled nursing facility care
- Home health care
- Hospice
- Prescription drugs
- Durable medical equipment

- Medicare cost sharing
- Long-term nursing home (after Medicare benefits are exhausted)
- Long-term services and supports (LTSS) (including CBAS, MSSP, IHSS, HCBS waivers)
- Prescriptions and durable medical equipment not covered by Medicare



### Coordinated Care Initiative: Two Parts

- Medi-Cal Managed Long-Term Services and Supports (MLTSS)
  - Medi-Cal beneficiaries in 8 counties, including dual eligibles, will be required to join a Medi-Cal managed care health plan to receive their Medi-Cal benefits, including LTSS and Medicare wrap-around benefits.

#### Duals Demonstration

 A voluntary three-year demonstration program in 8 counties for Medicare and Medi-Cal dual eligible beneficiaries to coordinate medical, behavioral health, long-term institutional, and homeand community-based services through a single organized delivery system.



## **8 CCI Counties**

#### Los Angeles

Health Net and LA Care

#### Orange

CalOptima

#### San Diego

 Molina, Care 1st, Community Health Group, Health Net

#### San Mateo

Health Plan of San Mateo

#### Alameda

Alameda Alliance & Anthem Blue Cross

#### Santa Clara

 Santa Clara Family Health Plan & Anthem Bl Cross

#### San Bernardino

Inland Empire Health Plan & Molina

#### Riverside

Inland Empire Health Plan & Molina





## **CCI** Goals

- Empower people to achieve their health goals.
- Help people stay in their homes -- and stay out of the hospital and nursing home.
- Improve care coordination across all health care and social services.
- Bend the health care cost curve.



## How It Will Be Implemented

- Almost everyone with Medi-Cal benefits in the eight counties will be required to select a managed care plan, including dual eligibles
  - If they do not select a plan, the state will automatically assign them one.
- People with Medi-Cal long-term services and supports will receive them through their health plan.
  - No sooner than March 2013 in Orange and San Mateo counties.
  - Phased in by birth month starting no sooner than March 2013; Alameda, Santa Clara, Los Angeles, San Diego, Riverside, San Bernardino.
- The voluntary Demonstration Project for dual eligibles will be phased-in, starting no sooner than June 2013.
  - Using passive enrollment with an "opt out"
  - Dual eligibles may opt out of integrating their Medicare benefits through the demonstration but must still enroll in a health plan for their Medi-Cal benefits.



## The Demonstration

- The Demonstration will run from June 2013 December 2016
- Brand new opportunity to coordinate care: One person, one plan, all the same benefits.
- Beneficiaries in the Demonstration will benefit from:
  - Keeping all existing Medicare and Medi-Cal benefits
  - Integrated long-term services and supports (LTSS):
    - In-Home Supportive Services (IHSS)
    - CBAS
    - Multipurpose Senior Services Program (MSSP)
    - Nursing home care
  - Coordination with carved out county mental health and substance use programs



## **Demonstration Timeline**

- March 2012: Health Plans were selected via a Request for Solutions process
  - All are Medi-Cal managed care plans
  - All have experience operating a Dual Eligible Special Needs Plans (D-SNP)
  - Health Plans underwent and passed a Model of Care review by NCQA
- Now: Medi-Cal is firming up the details of the Demonstration project with CMS and refining an outreach plan.
- Fall 2012: State and federal governments will conduct a readiness review of the health plans.
- Winter 2012: Three-way contracts between the health plans, CMS and California established.
- Ongoing: Beneficiary and provider outreach



## Who is Eligible for the Demonstration?

560,000 full-benefit dual eligibles in the 8 selected counties

#### Exclusions:

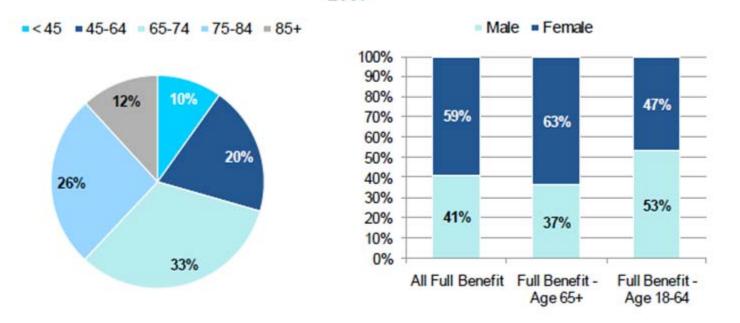
- Dual eligibles younger than 21
- Duals with partial benefits or other health coverage
- Home and Community Based Services waiver enrollees (except MSSP)
- Duals with developmental disabilities
- Duals with ESRD
- PACE and AIDS Health Care Foundation enrollees.



## Who is eligible for the Demonstration (cont.)

- •71% are age 65 and older
  - People age 85 and older comprised 17% of this group
- The majority are women

FIGURE 4. FULL BENEFIT MEDICARE-MEDICAID ENROLLEES BY AGE GROUP AND GENDER: CALIFORNIA, 2007



Source: CMS, Medicare-Medicaid Enrollees State Profile, 2012



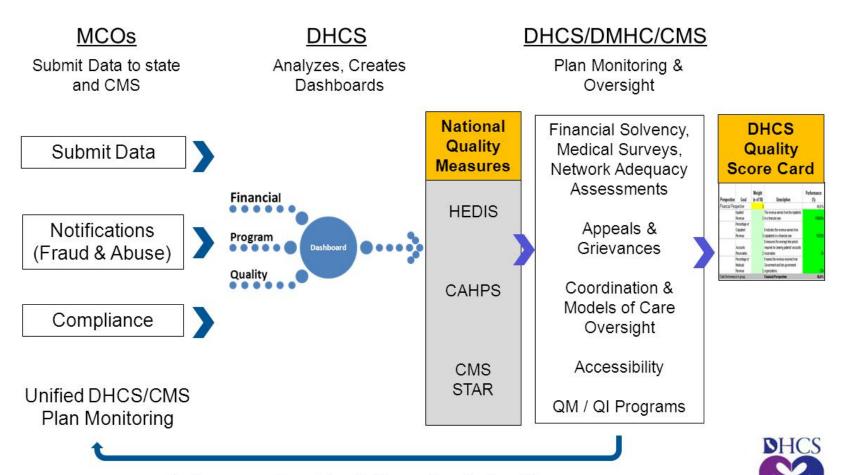
### Coordinated Care Initiative Protections

- The legislation establishing the CCI contains many protections for beneficiaries covering:
- Meaningful Information of Beneficiary Rights and Choices
  - Notices sent at least 90, 60 and 30 days prior to enrollment (coordinated with CMS).
- Continuity of Care
  - People can continue to see their Medi-Cal providers for 12 months and Medicare doctors for six months.
- Self-Directed Care
  - People will have the choice to self direct their care, including being able to hire, fire, and manage their IHSS workers.
- Appeals & Grievances
  - DHCS is working with CMS on a coordinated appeals process.
- Strong Oversight & Monitoring
  - Evaluation Coordinated with DHCS and CMS

**HealthCareServices** 



## Health Plan Monitoring



Performance Inquiries & Corrective Action Plans



## Projected Savings from Reducing Unnecessary Hospital and Nursing Home Admissions



- Physician services
- Pharmacy
- Home- and community-based services



- Inpatient hospital
- Nursing home

"This is not about cutting rates for providers ... This is about working with providers in a more integrated, coordinated delivery system to drive the right outcomes," -- Toby Douglas, Medi-Cal Director.

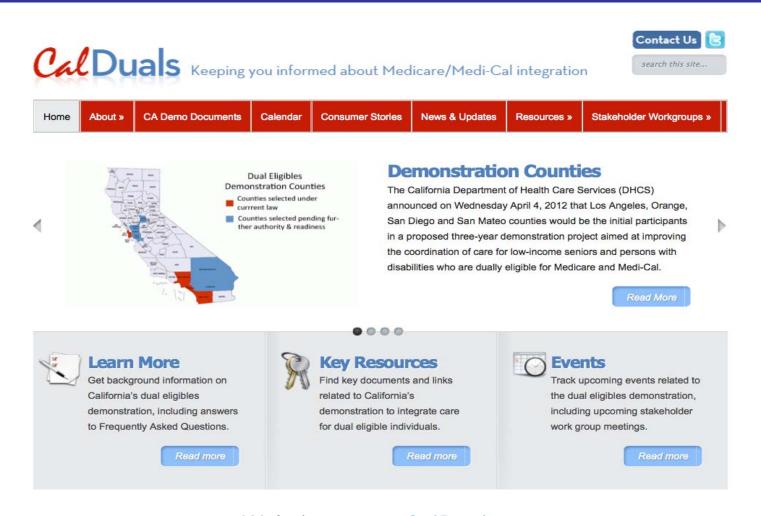


## Key Things to Remember

- People can keep the Medicare and Medi-Cal benefits they have today.
- We are building on Medicare Advantage Special Needs Plans.
- People will continue hiring, firing and managing their IHSS providers. Counties will decide hours.
- Care coordination will help people stay in their homes and stay out of the hospital and nursing home.
- People's needs and preferences will drive their care.



## Keeping You Informed



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