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SIXTH NATIONAL MEDICAID CONGRESS, Washington, D.C.

**Managing the Medicaid Enrollment Surge Starts Today:
Strategies for Success by 2014**

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OPTUM™ An Aligned Health Services Platform

OPTUMInsight™

One of the largest **health information, technology and consulting** companies in the world

INGENIX® | AXOLOTL® HEALTHCARE CONNECTED

OPTUMHealth™

The leader in **population health management** serving the physical, mental and financial needs of both individuals and organizations

OPTUMRx™

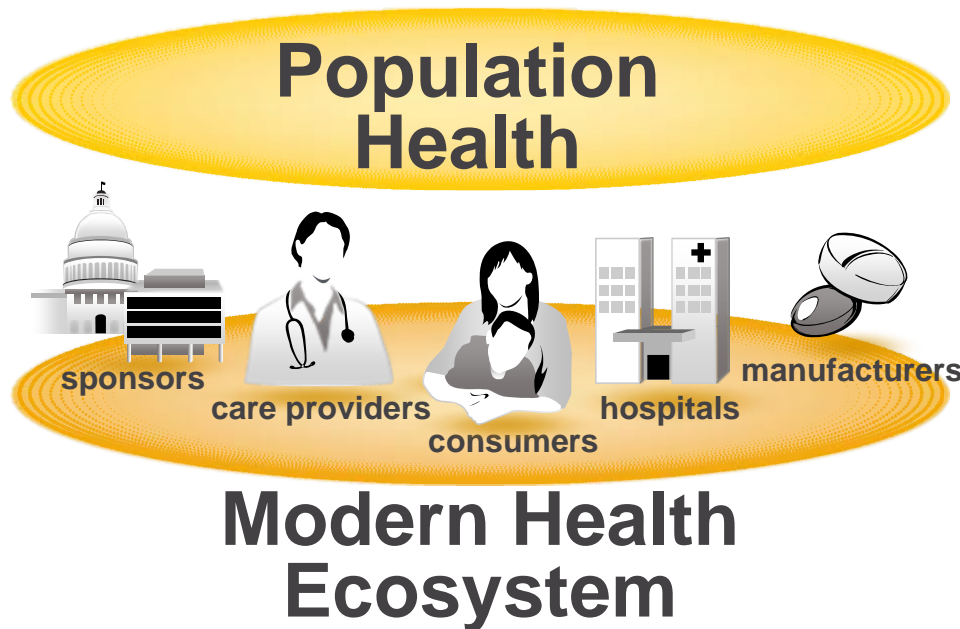The **pharmacy management** leader in service, affordability and clinical quality

Market leaders within a dynamic health services market

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Connected   **Intelligent**   **Aligned**

Population Health

sponsors   care providers   consumers   hospitals   manufacturers
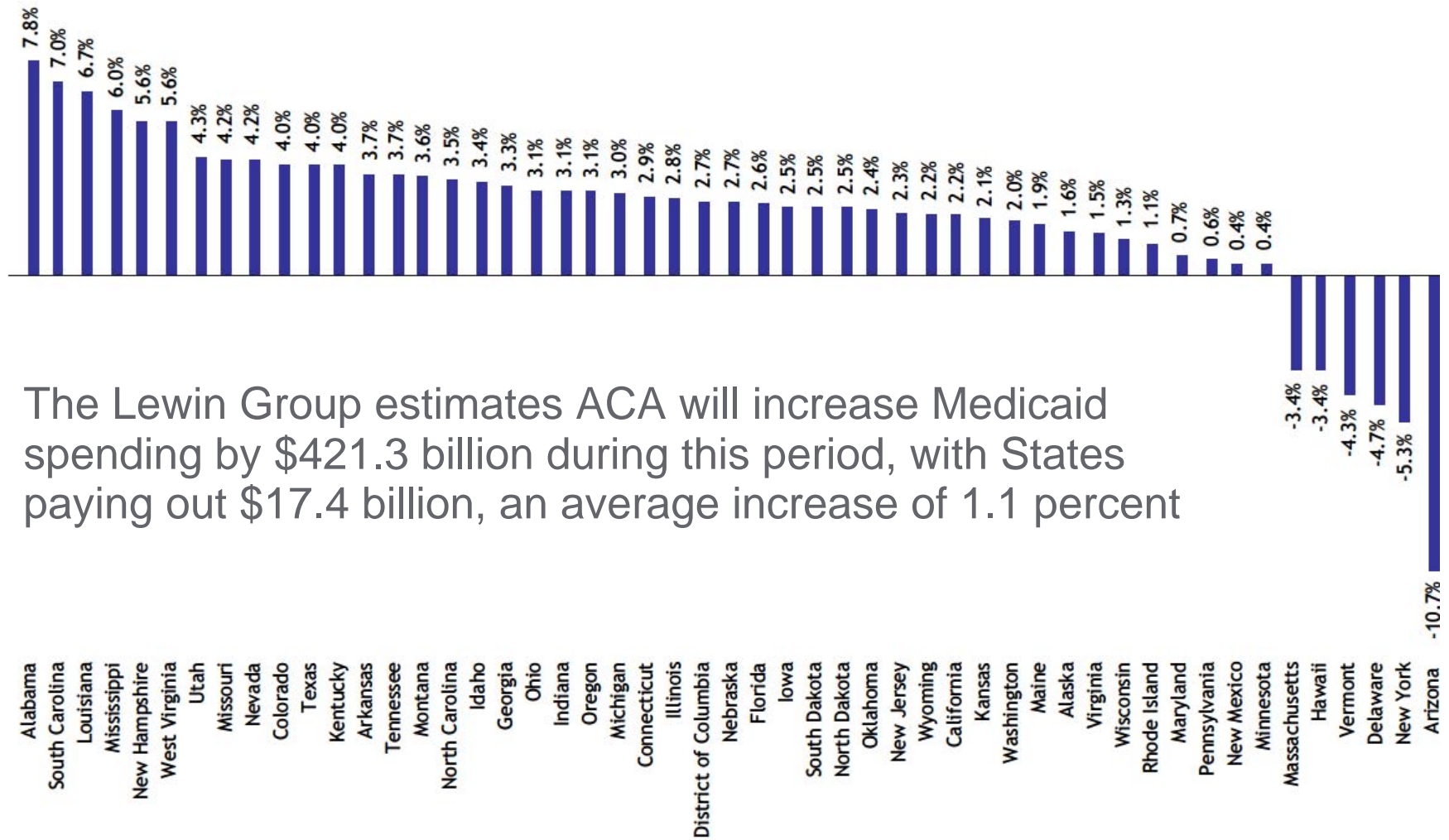
Modern Health Ecosystem

Optimized care quality, cost and consumer experience = enduring health for all

Managing the Medicaid Enrollment Surge Starts Today:
Strategies for Success by 2014

Percent Change in State Medicaid Spending for 2014-2019

The Lewin Group estimates ACA will increase Medicaid spending by $421.3 billion during this period, with States paying out $17.4 billion, an average increase of 1.1 percent

Source: The Lewin Group

Not the whole story…

- Current State
  - 15% enrollment growth
  - State Medicaid program management is stressed
  - Provider networks are weaker
  - Full range of information to truly focus on clients not easily available
- With new enrollment under ACA
  - New enrollees not easily identified and mental and physical health deficits not easily defined
  - Only 100k of 12.3M will be children
  - Networks and care delivery models may not be adequate
  - Need more granular way to manage

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How Will ACA Impact our Medicaid Program?

Key questions:

1. Which individuals, with what kinds of mental and physical health deficits, are likely to enroll in the program after new eligibility requirements kick in?

2. What risks and program challenges are those enrollees likely to bring?

3. What service delivery alterations and technology enhancements will be needed to facilitate necessary changes, improve care and contain costs?
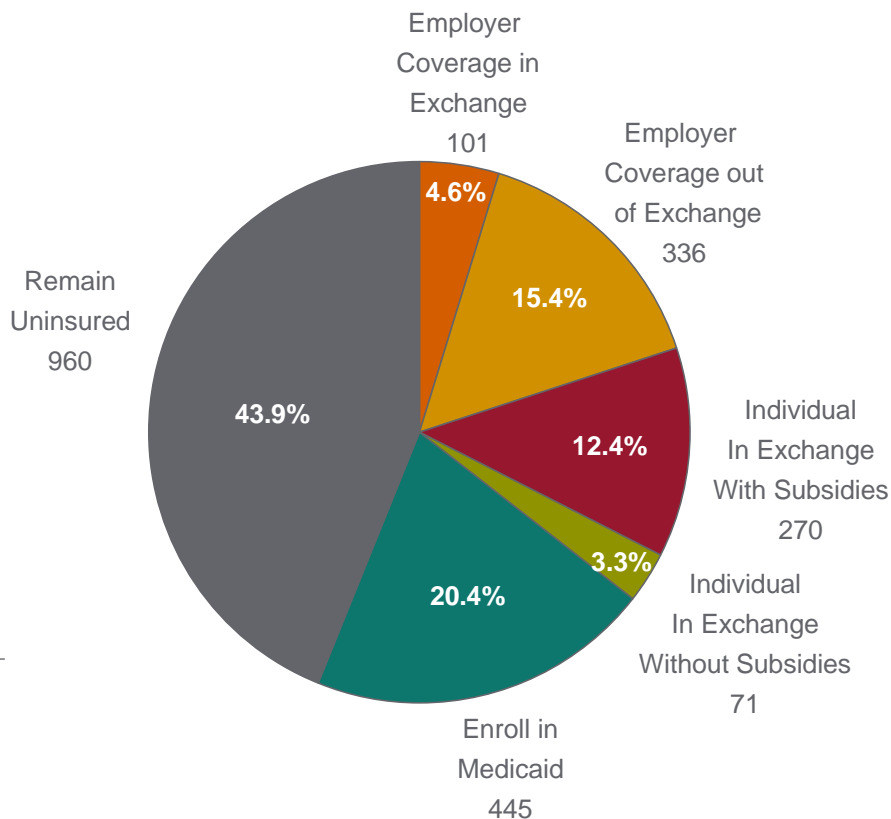
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Your Data Holds the Key

- The expanded program will require working beyond typical health care silos and barriers in States

- Analytic insight drawn from Medicaid, related Health and Human Services, and other repositories of data can help determine best estimates and impacts, to allow for strategic decision-making

- Insight will help to re-examine:

  – Models of care delivery

  – Program effectiveness

  – Data resource utilization

  – Measures of health

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Changes in Coverage for Uninsured People under Reform for Los Angeles County (thousands)

Number Uninsured

- Current Law: 2,182
- Under Reform: 1,005

What happens to the uninsured under Reform?

- Employer Coverage in Exchange — 101 — 4.6%
- Employer Coverage out of Exchange — 336 — 15.4%
- Individual In Exchange With Subsidies — 270 — 12.4%
- Individual In Exchange Without Subsidies — 71 — 3.3%
- Enroll in Medicaid — 445 — 20.4%
- Remain Uninsured — 960 — 43.9%
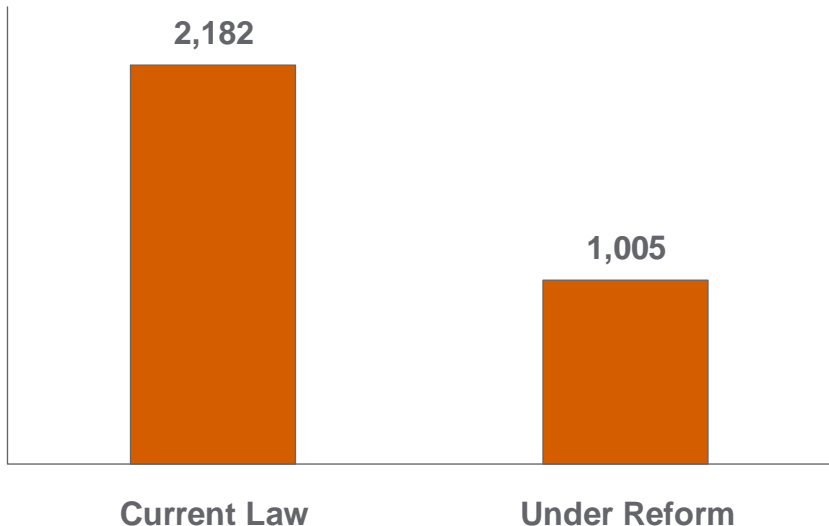
Currently Uninsured = 2,183

Source: The Lewin Group

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Percent of Women of Childbearing Age who are Uninsured under Current Law in LA County

Legend
% Uninsured
- < 12%
- 12 - 16%
- 16 - 20%
- 20 - 24%
- 24 - 28%
- 28 - 32%
- 32%+

Source: The Lewin Group

Percent of Women of Childbearing Age who are Uninsured under Health Reform Law in LA County

Legend
% Uninsured
- < 12%
- 12 - 16%
- 16 - 20%
- 20 - 24%
- 24 - 28%
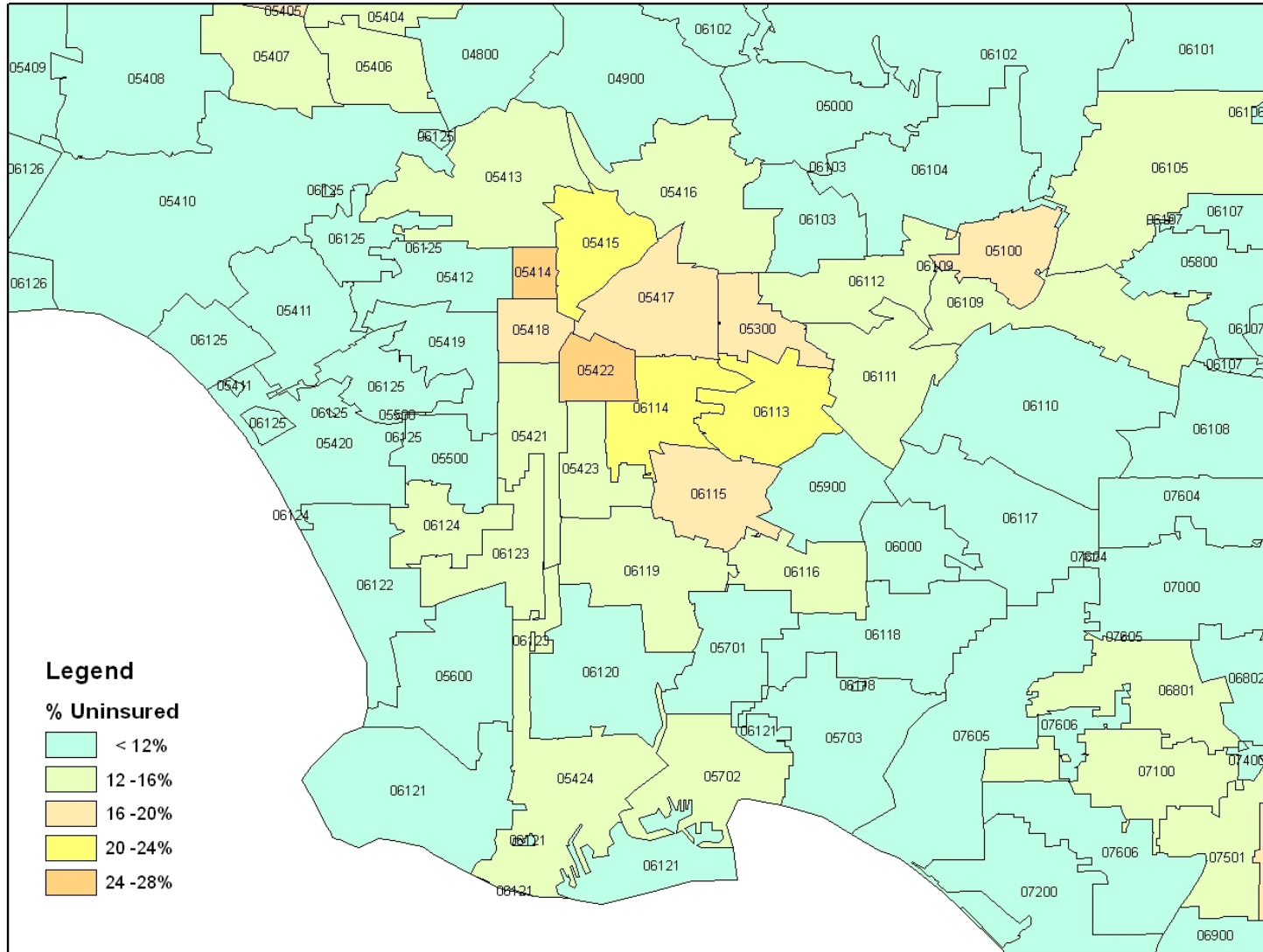
Example:
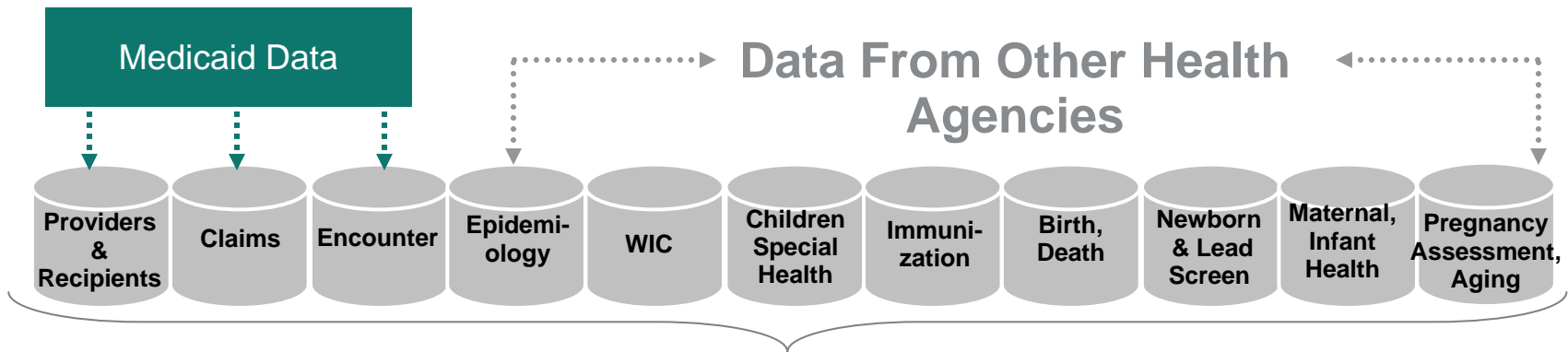# California HealthCare Foundation: Medi-Cal Beneficiaries

- The Lewin Group and OptumInsight Government Solutions prepared a snapshot of California Medi-Cal's high-cost beneficiaries:
  - Just 7% of Medi-Cal beneficiaries accounted for more than three-quarters of fee-for-service expenditures for fiscal year 2008
  - Two-thirds of high-cost beneficiaries had multiple health conditions, with nearly half having three or more conditions
  - Annual expenditures for the 1,000 most costly beneficiaries averaged more than $500,000 per person
  - More than half of the 1,000 most costly beneficiaries were under the age of 21

- Among numerous recommendations:
  - Concentrate on high-cost beneficiaries with new approaches that better integrate physical health, mental health and long-term care services
  - The State partner with health care providers and health plans to improve data-sharing and early identification of complex cases
  - Develop and support comprehensive patient-centered systems of care for high-cost beneficiaries

Source: OptumInsight and The Lewin Group

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Find the DATA!

- States are in the KNOW – find your repositories
  - Community health centers, the Woman, Infant and Children (WIC) nutritional program, the Supplemental Nutrition Assistance Program, cancer registries, etc
  - Integrate systems for enterprise-wide view; Non-Medicaid health and human service data can help States enrich their Medicaid data as well as help them catch folks who may fall through the cracks of the Medicaid system
    - Medicaid eligible individuals may first show up in another program before applying for Medicaid
    - Use a common Unique Client Identifies (UCI) across all programs
  - Focus on getting everything onto electronic platforms!

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MI Enterprise Business Intelligence Solution

Medicaid Data

Data From Other Health Agencies

Providers & Recipients	Claims	Encounter	Epidemi-ology	WIC	Children Special Health	Immuni-zation	Birth, Death	Newborn & Lead Screen	Maternal, Infant Health	Pregnancy Assessment, Aging

Data Warehouse
**Extracts, Transforms, Cleanses, Loads, Maintains Data --
Uses "Master Client Index" to Link, Track Individuals Across Programs**

Medicaid Enterprise Business Intelligence

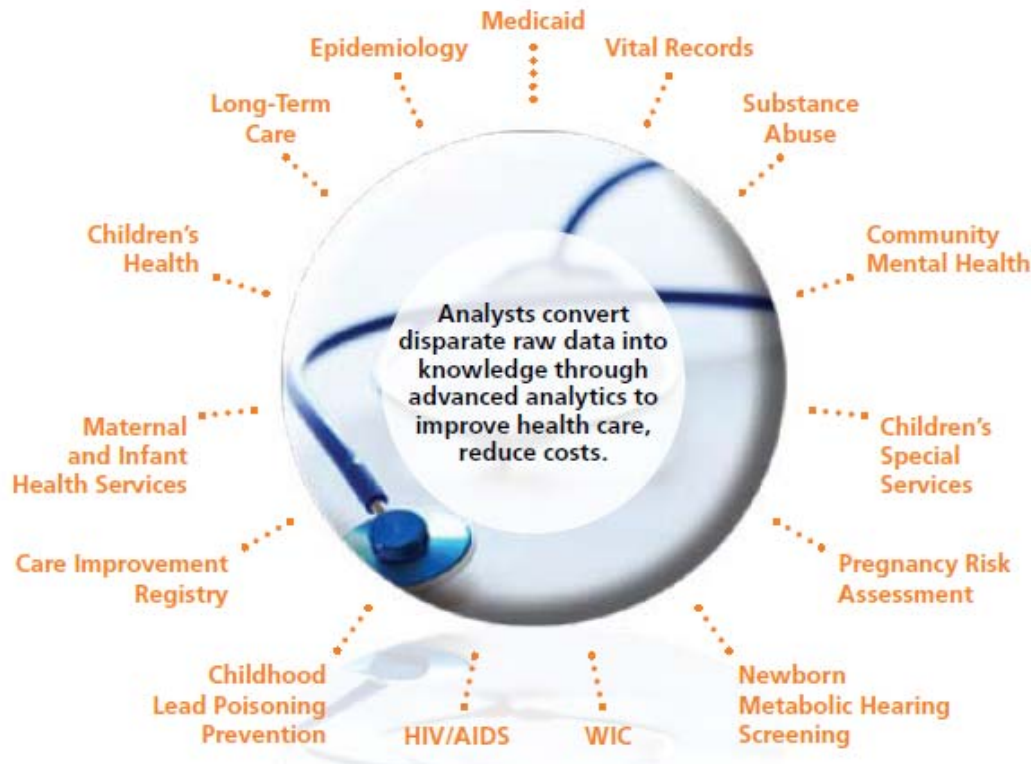*Linking Many Programs Across the Medicaid Enterprise*

Multiple users rapidly access and exchange info from their PCs to:

- ✓ Track individuals across programs
- ✓ Track spending across programs
- ✓ Perform comparative analyses
- ✓ Conduct advanced health care analysis

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Case Study: Michigan Department of Community Health

CONDUCTING ADVANCED HEALTH CARE ANALYTICS

Epidemiology · Medicaid · Vital Records · Long-Term Care · Substance Abuse · Children's Health · Community Mental Health · Maternal and Infant Health Services · Children's Special Services · Care Improvement Registry · Pregnancy Risk Assessment · Childhood Lead Poisoning Prevention · HIV/AIDS · WIC · Newborn Metabolic Hearing Screening

Analysts convert disparate raw data into knowledge through advanced analytics to improve health care, reduce costs.

ACTION

Linked 15 separate databases into a single, integrated environment

Developed a unique client identifier to track individuals across multiple programs

Tracked spending across programs

Initiated advanced health care analytics, federal reporting, and comparative analyses programs
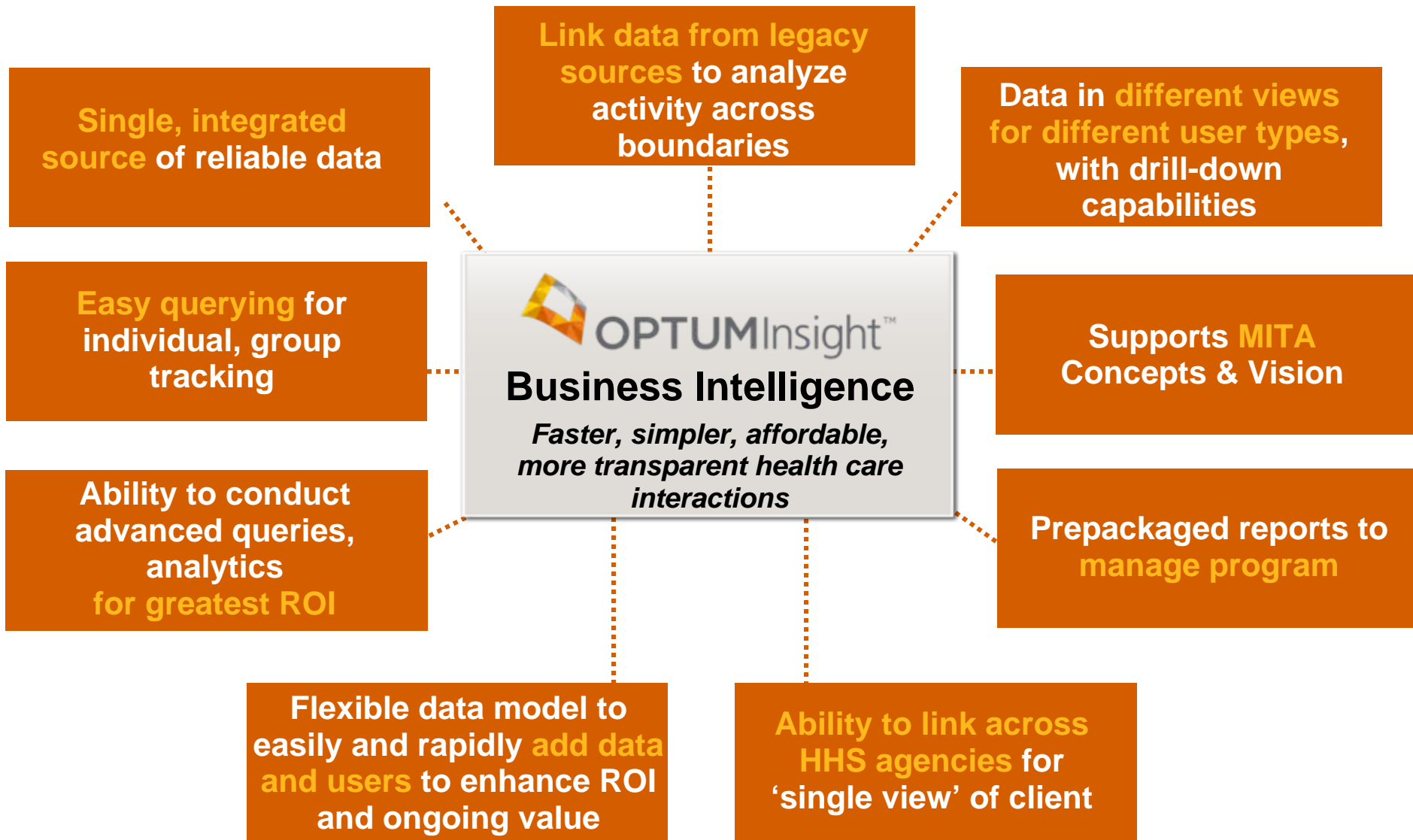
RESULTS

Achieved annual savings exceeding $200 million

Reduced total health care administrative costs by 25 percent

Doubled the state's identification of fraudulent Medicaid activity

Jumped from last to first in child immunization rates

Benefits of Enterprise Business Intelligence

Single, integrated source of reliable data

Link data from legacy sources to analyze activity across boundaries

Data in **different views for different user types**, with drill-down capabilities

Easy querying for individual, group tracking

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Business Intelligence

Faster, simpler, affordable, more transparent health care interactions

Supports **MITA** Concepts & Vision

Ability to conduct advanced queries, analytics for greatest ROI

Prepackaged reports to **manage program**

Flexible data model to easily and rapidly add data and users to enhance ROI and ongoing value

Ability to link across HHS agencies for 'single view' of client

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Bringing the Enterprise to the Individual

➔ Linking the Person to the Whole Picture: Person-centered

➔ Providing the Holistic Interoperable View through Data Integration and Analytics

➔ Incorporating Disparate Data Sources to an Integrated Data Repository

➔ Promotes Improved Health Care Analytics

➔ Leverage Existing Assets such as Business Intelligence/ Data Warehouse Solutions

Enterprise Data Sharing = Program Actions and Results

CONDUCTING ADVANCED HEALTH CARE ANALYTICS

- Medicaid
- Epidemiology
- Vital Records
- Long-Term Care
- Substance Abuse
- Children's Health
- Community Mental Health
- Maternal and Infant Health Services
- Children's Special Services
- Care Improvement Registry
- Pregnancy Risk Assessment
- Childhood Lead Poisoning Prevention
- HIV/AIDS
- WIC
- Newborn Metabolic Hearing Screening

Interoperable and Integrated View of the Individual

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What is Predictive Modeling?

- Data-driven, decision-support tools to estimate an individual's future potential health care costs
  - Identify "markers of risk" that provide clinical insights into why an individual may be considered high risk
- Can help States segment audience and make educated estimates about future enrollment needs
- Can apply to the data available today:
  - Administrative – MMIS
  - Pharmacy – PBM
  - Individual demographics – HHS systems/Eligibility
- Can apply to the data available a littler further out
  - Clinical from E.H.R. and HIE

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How Predictive Modeling Can Help

- Predictive modeling and analytics provide State Medicaid administrators with the information necessary to:
  - Gain perspective on health care quality, utility and cost
  - Plan strategies to effectively allocate health care resources
  - Implement programs to create improvements in care and outcomes
  - Monitor population, recipient and provider-specific trends
  - Measure accurately the impact of policies and programs
- Hospital Readmissions in CA
- Pharmacy data has real predictive value
  - More likely to be available
  - Enroll now in pharmacy assistance programs
  - Begins to build attachment

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Eligibility Systems

- Recommendations:

  - **Simplify**

  - Make use of all Federal Funds: Federal guidelines authorize 90% funding for States that install eligibility systems through 2015, with 75% ongoing funding for maintenance and operations

  - Establish who within the State will oversee development of integration of exchanges into the eligibility systems; then look at how to integrate with related systems

  - Must be able to distinguish between currently eligible and newly eligible individuals because federal fund will cover only the newly eligible and States have to have a clear and reasonable system that supports eligibility classifications

  - Make sure systems must be designed to ensure that status changes – due to falling and rising incomes – are taken into account

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Looking at your Provider Network

- Demand for services will change; plan intensely on ways to address

  - Identify gaps and shortages based on needs of the identified populations; particularly, the complex cases with combination of behavioral and chronic conditions

  - Primary care access: look to new ways to deliver care with nurse practitioners and physician assistants and other professionals

  - Innovative care delivery approaches, such as providing prescription assistance and diverting people from costly emergency room treatment to care at federally qualified health centers and clinics

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Start Managing the Medicaid Surge
TODAY

Thank You.

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Sources for Additional Reading

- OptumInsight & The Lewin Group, "Managing the Medicaid enrollment surge starts today: Strategies for success by 2014," June 2011

- The Impact of the Medicaid Expansions and Other Provisions of Health Reform on State Medicaid Spending Staff Working Paper #12, Prepared by: John Sheils, Kathy Kuhmerker, Randy Haught, Joel Menges, Chris Park, December 9, 2010

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