



Bureau of Legislative Research

# Arkansas Health Care Reform Task Force

TSG Update: Care Coordination State Models  
August 20, 2015

# State Medicaid Payment Reform

## Models: 2014

- Managed Care/Risk Based: 25 states: AZ, CA, DE, GA, HI, KS, KY, MI, MN, MO, NE, NV, NH, NM, NY, OH, OR, PA, SC, TX, TN, UT, VA, WA, WI
- MCO and PCCM (Primary Care Case Management): 13 states: CA, CO, FL, IA, IL, IN, LA, MA, NV, ND, RI, WA, WV
- PCCM only: 9 states: AL, AR, ID, ME, MT, NC, OK, SD, VT
- No comprehensive MCO: 3 states: AL, CT, WY
- ACO in place: 8 states: CO, IA, IL, MN, OR, SC, UT, VT (CA, MD, ME, NJ, PA planned for 2015)
- DSRIP in place: 5 states: CA, KS, MA, NJ, TX (NY planned for 2015)

# Care Coordination in Managed Care

- The Public Policy Institute (PPI) of AARP conducted a study of 18 states who have implemented Managed Long Term Services and Supports (MLTSS) delivery system models based on managed care methods and competitively bid Managed Care Organization (MCO) contracts. States: IL, OH, AZ, CA, DE, FL, HI, KS, NM, NY, RI, TN, TX, VA, WI
- “Care Coordination in Managed Long term Services and Supports” Public Policy Institute/AARP: 7/15”

# MCO Care Coordination Model Trends

- Care coordination defined across all medical, waivers, institutional levels of care.
- Three trends found in MCO Care Coordination models:
  - “In-House” Model: the MCO provides care coordination with their own staff, primarily credentialed social workers and nurses.

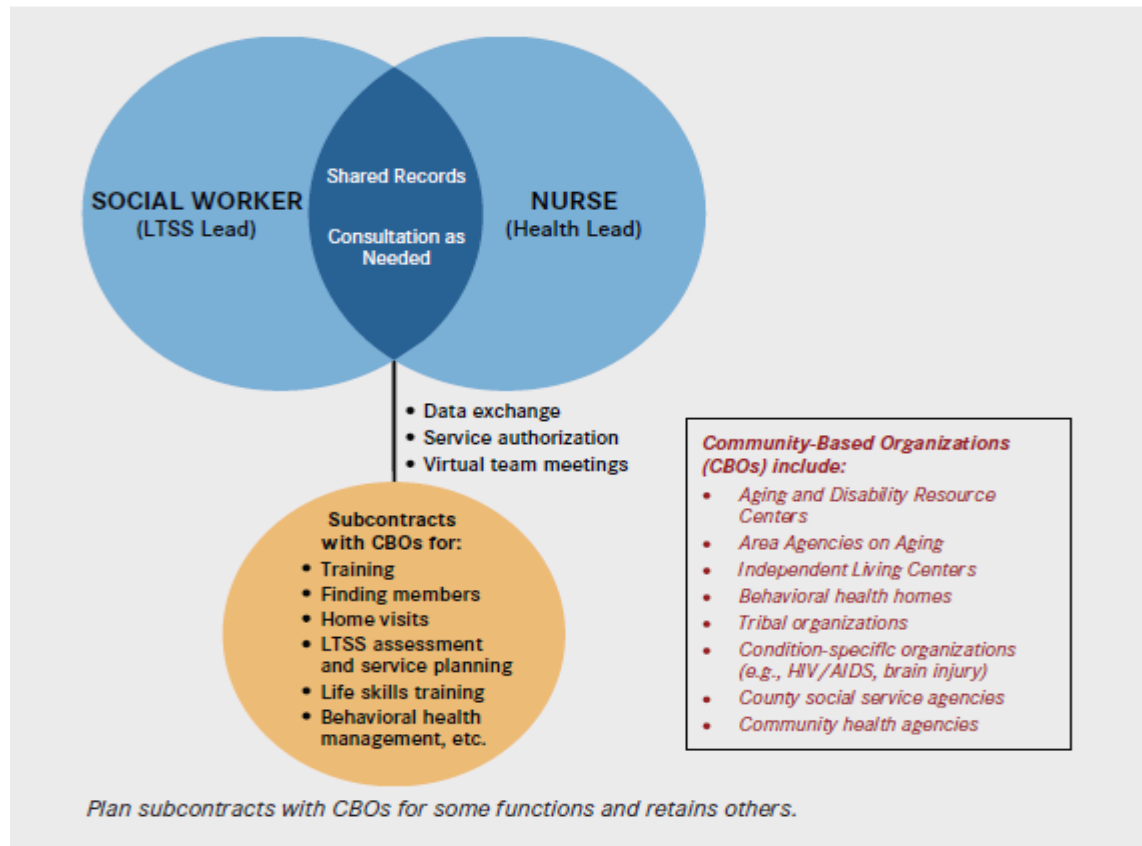
# MCO Care Coordination Trends

- “Shared Functions” Model: the MCO subcontracts with existing community providers, such as case management, and retains other aspects of care coordination, such as medical services, and integrates with community partners through IT based shared data and case information.

# “Shared Functions Model”

- “Shared Functions” Model:

## Shared Functions Model



# MCO Care Coordination Model Trends

- The “Delegated” model involves a health plan that delegates all care coordination activities to a health system or larger physician practice already engaged with the client(s). Used in mature state managed care models (CA, MN)
- MCO models care coordination models may vary in the same plan.
- States can design care coordination model they wish through contract.
- Natural Caregiver training should be considered as a value added benefit.

# Payment Improvement Initiative

## Update – EOC Cost-Benefit Analysis

- After July Task Force meeting, TSG met with DHS to discuss EOC cost-benefit analysis included in last interim report
- Several refinements have been made to the cost and savings estimates
  - Added potential cost savings from perinatal EOC
  - Removed certain costs from estimate not associated with development of the first 14 EOCs
- Revised estimates for first 14 EOCS
  - Revised cost estimate – \$3.5M per episode
  - Revised annual savings range – \$0.6M to \$1.5M per episode
  - Revised average payoff period – 2.4 to 5.6 years
  - Still refining ongoing operational cost



# Payment Improvement Initiative

## Update – Provider Survey

- Survey released June 25
- 250 responses received by July 9 (analysis cut-off prior to previous Task Force meeting)
- 438 responses received by August 13
- Preliminary review of additional responses shows little change in trends
  - Still about 2/3 physicians
  - Still a range of opinions regarding EOCs and PCMH
- Final analysis will include breakout by provider type and specialty