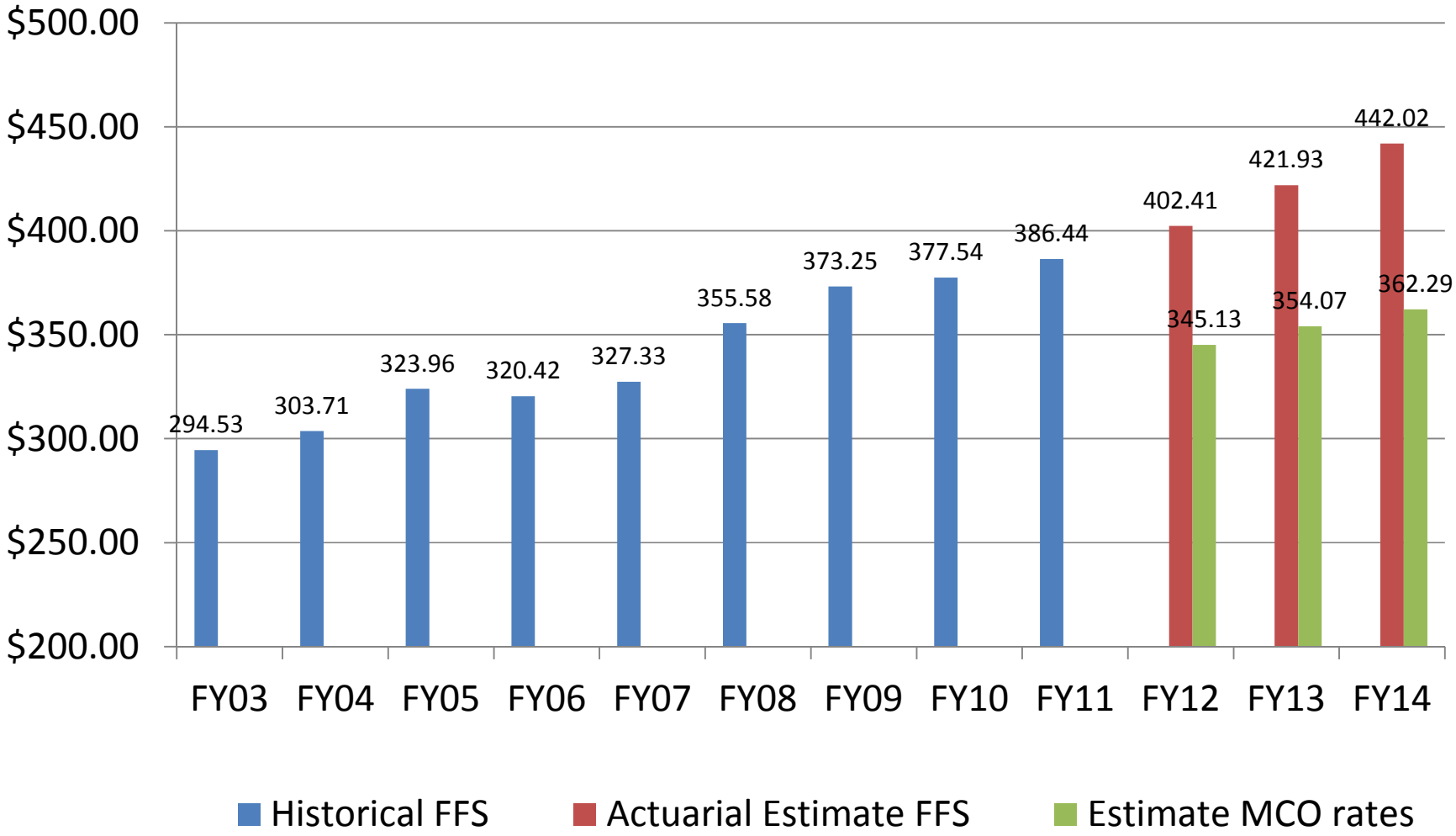
Department for Medicaid Services

Lawrence Kissner
Commissioner

December 13, 2012

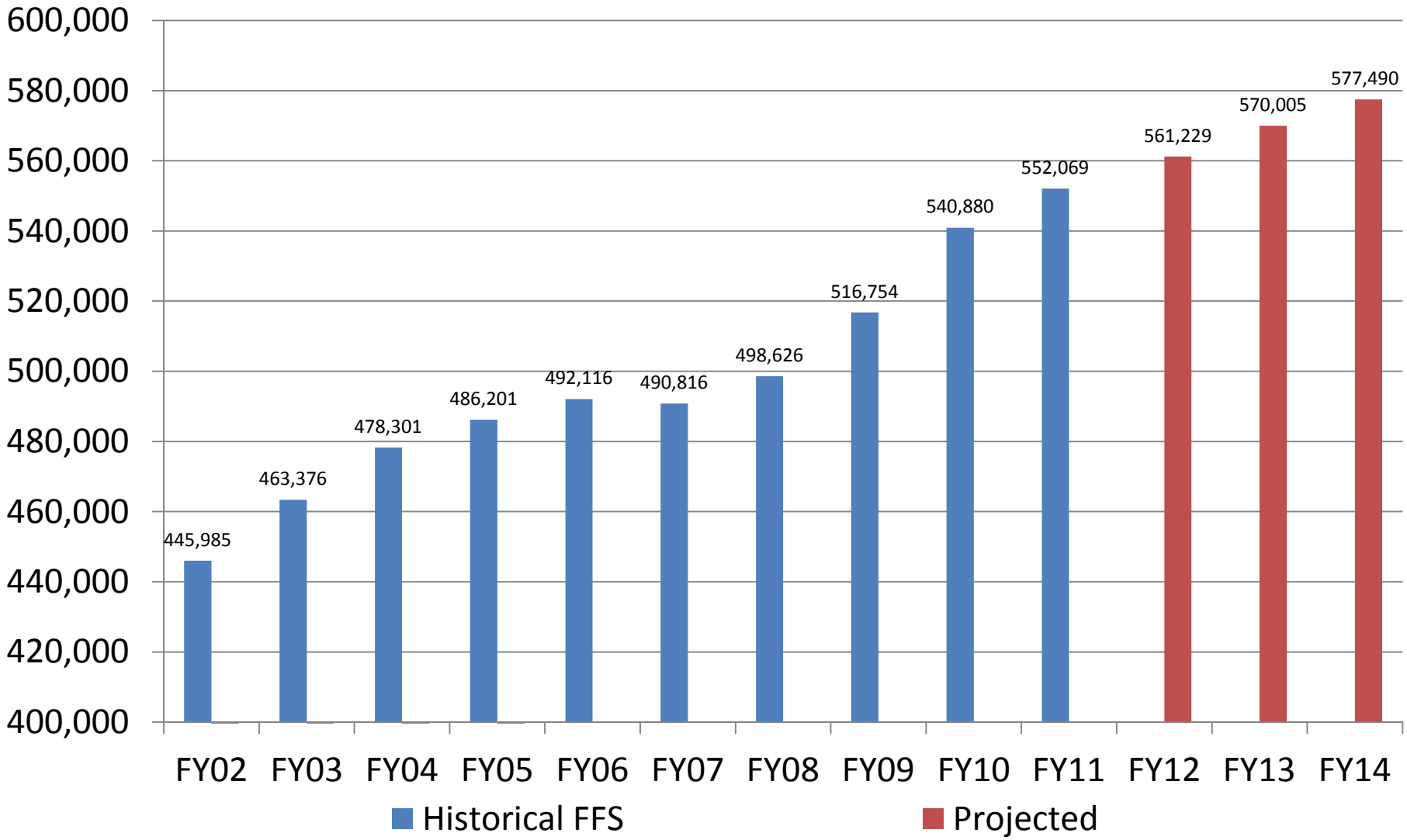
COMMONWEALTH OF KENTUCKY
CABINET FOR HEALTH AND FAMILY SERVICES

Medicaid Historical Perspective



Data is 7 regions excluding Region 3

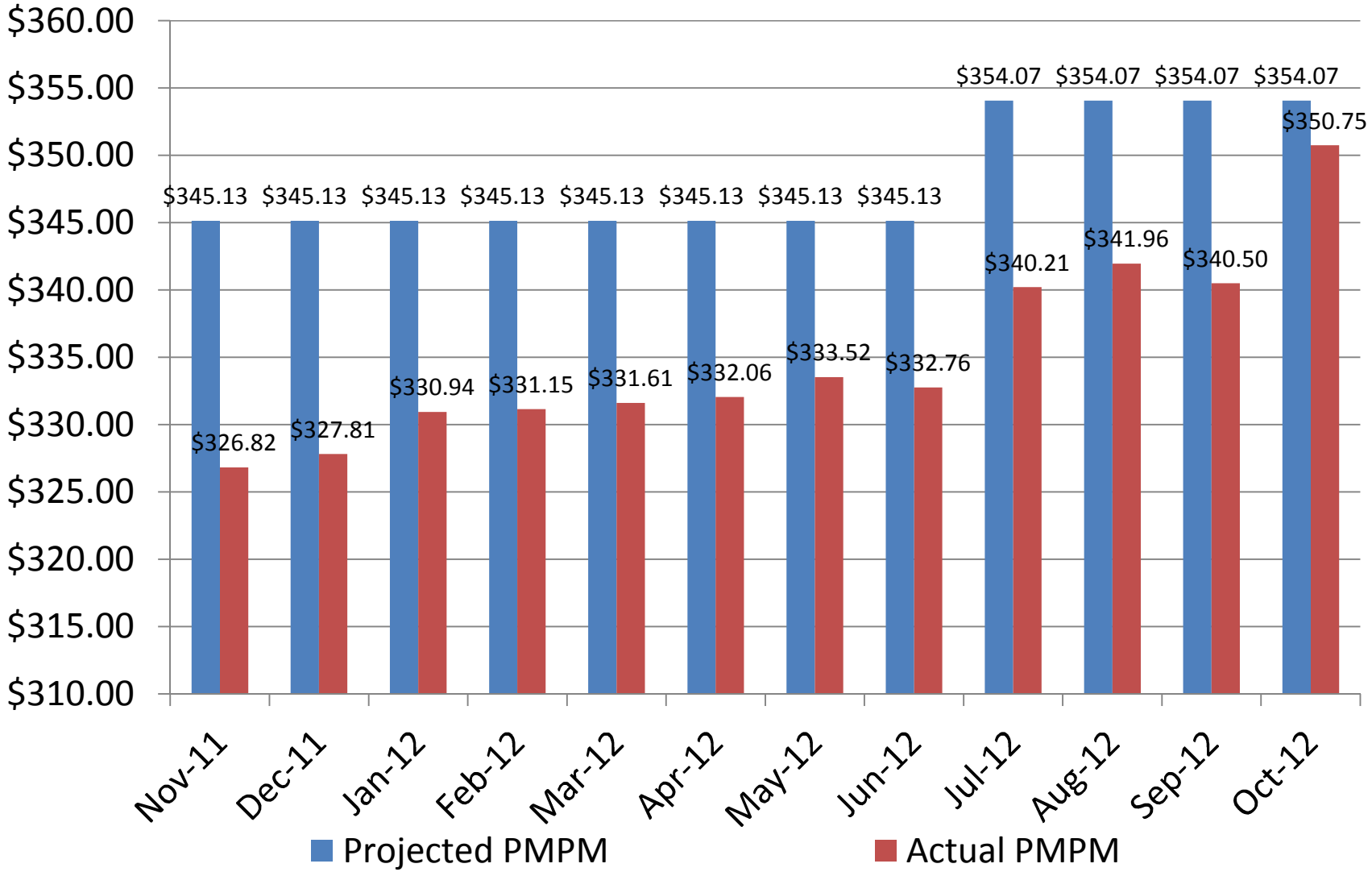
MCO eligible populations in 7 regions



Where are the anticipated savings for the 7 regions?

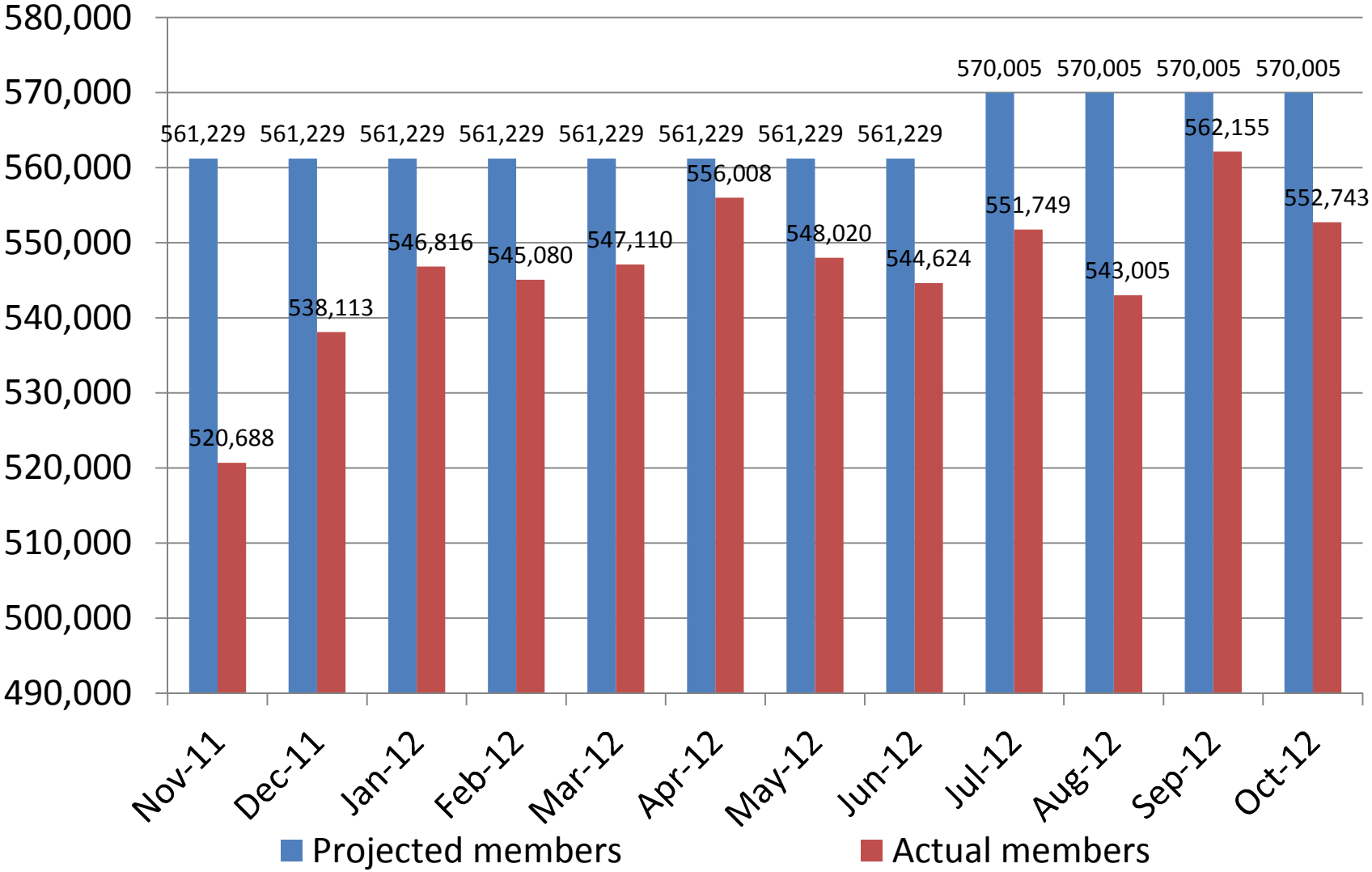
- Projected members X Projected rates without managed care X 32 months = $7.75 billion
- Projected members X Projected rates with managed care X 32 months = $6.48 billion
- Projected cost without MCO – Projected cost with MCO = $1.27 billion, which represents the $1.3 billion dollar projected savings.
- The enacted budget was based on achieving these savings, therefore the savings have already been captured by the state.

Are we on track? YES



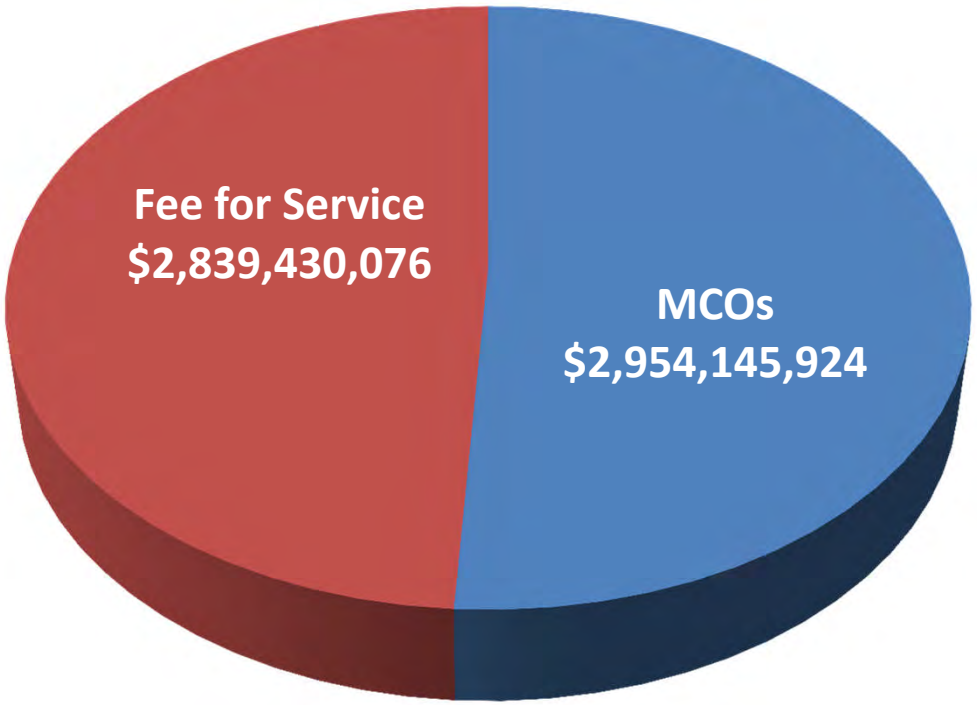
Data is for 7 regions excluding Region 3

Are we on track? YES

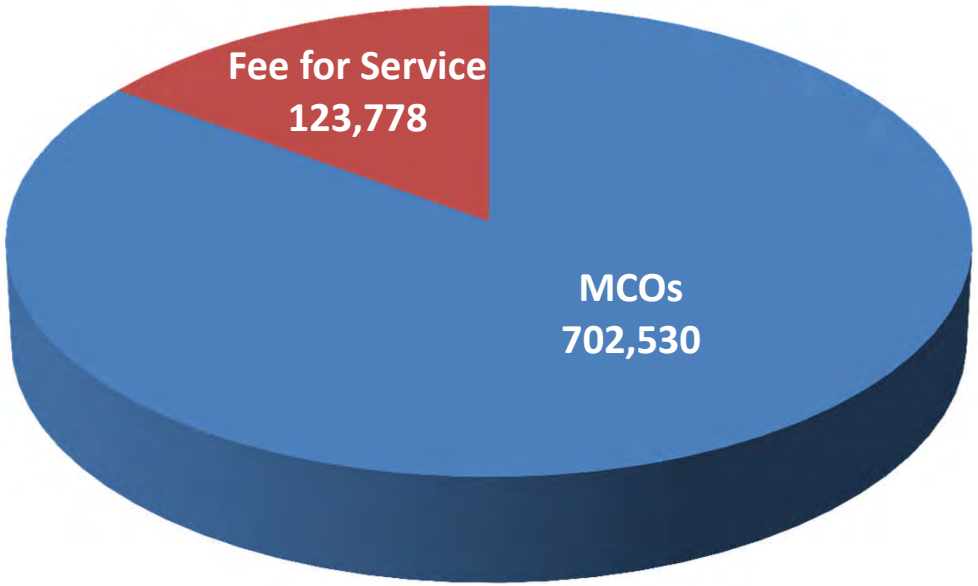


Data is for 7 regions excluding region 3

But Managed care is only half of the Medicaid $5.79 billion budget…



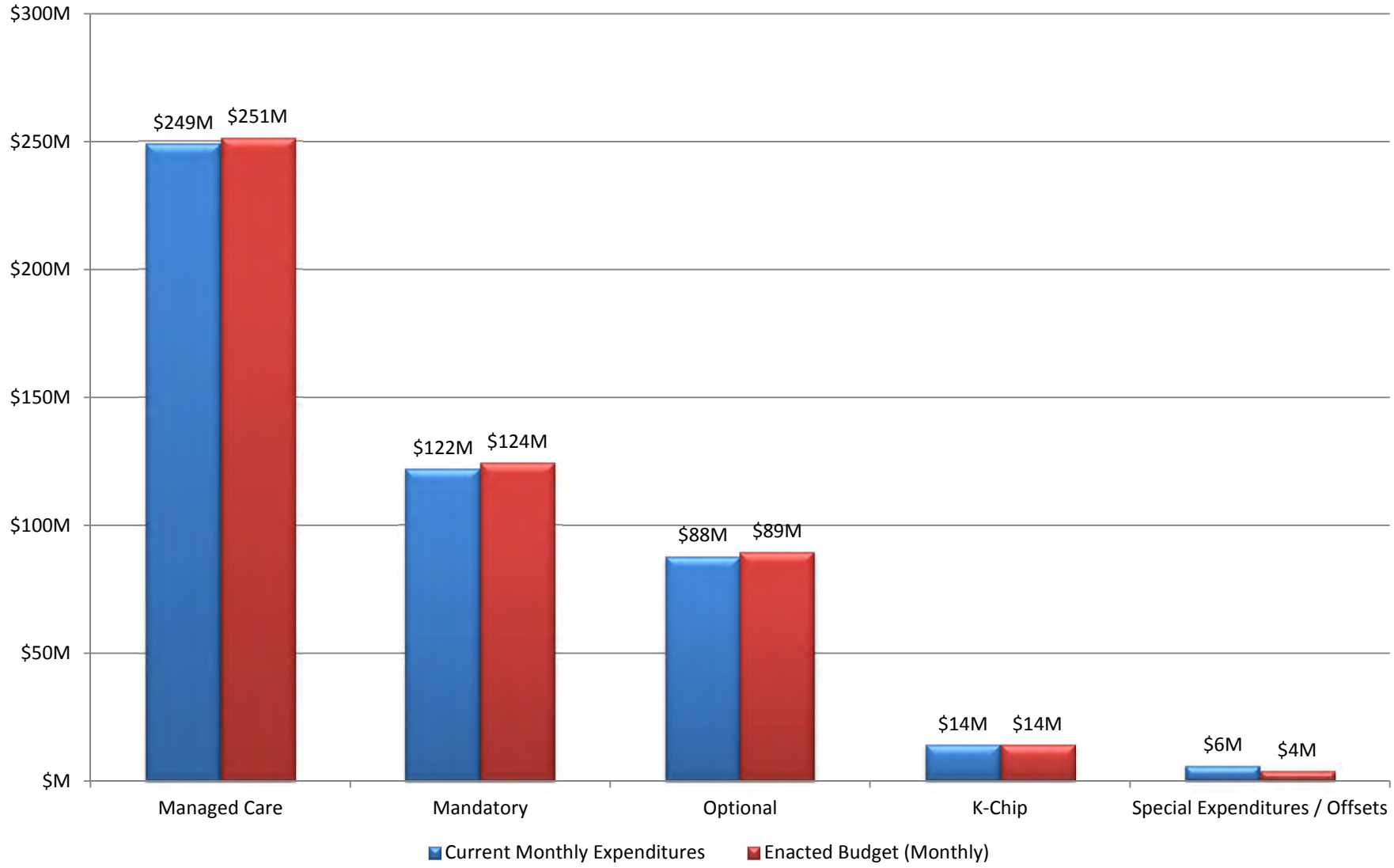
And the MCO's serve 85% of the members…



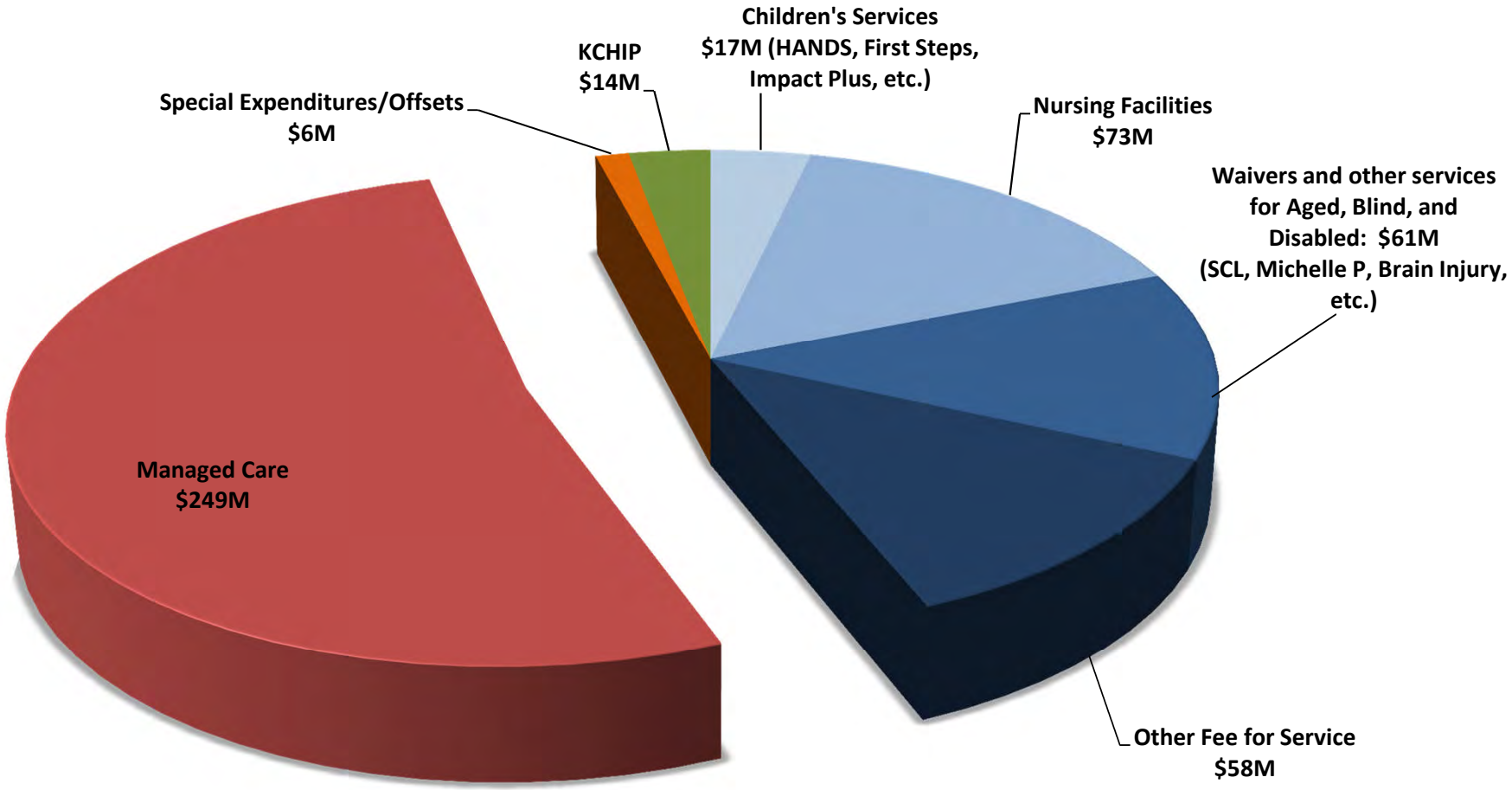
MCO members cost $354 PMPM while FFS members cost $1,852 PMPM (more than 5 times as much)

Budgeted vs. Current Expenditures

(Monthly Basis)



Monthly Average Expenditure
First Quarter FY 13
MCO and Fee for Service Expenditures



Bottom line

- Year-to-date (through October), Medicaid is on track with respect to the 7 regions and managed care costs
- Medicaid is on track for the overall Medicaid budget for SFY2013 based on the first four months of SFY13.

Other DMS priorities

- MCO contract compliance
- MCO dashboard of performance
- Continuous network adequacy review
- Encouraging provider/MCO meetings to work out issues (over 100 meetings with DMS staff)

  For example…

  – Weekly MCO meetings - BHDID/MCO meetings
  – KHA/MCO - TAC/MAC/P&T
  – CMHC/MCO - etc…

Other DMS priorities

- A smooth effective transition for Region 3
  - Readiness reviews conducted last week, CMS review submitted this week (nothing identified that will hold up the "go live" as of 1/1/13)
- Open enrollment for 7 regions (8/19/12 – 10/20/12)
  - Coventry -33,672, Kentucky Spirit – 7,642, Wellcare +41,264 changes as of 11/1/12
- Open enrollment for Region 3 (11/13/12 – 12/14/12)
  - Coventry assigned 40,340 – 9,688 = 30,652 or 18.6%
  - Wellcare assigned 40,941 – 9,935 = 31,006 or 18.8%
  - Humana assigned 38,998 – 8,297 = 30,701 or 18.7%
  - Passport assigned 44,147 + 27,920 = 72,067 or 43.9% (changes as of 12/7/12)
- DMS organizational change as a result of MCO (Public Consulting Group)
- Appropriate risk adjustments every 3 months or sooner if changes deemed significant

Other DMS priorities

- MMIS changes
- Coordinate with Health Benefit Exchange
- Kentucky Health Information Exchange
- ICD-10 (10/1/2014)
- Eligibility updates/changes (i.e. MAGI)

Other DMS priorities

- Island Peer Review Organization (IPRO)
  - Contract effective 9/1/12 – 6/30/14. DMS must contract with an independent External Quality Review Organization (EQRO) to evaluate the performance of the Managed Care Organizations.
    - Monitor overall quality and financial performance of the Kentucky Medicaid and CHIP programs
    - Monitor the quality improvement programs and plans of the Medicaid and CHIP managed care plans
    - Monitor performance improvement projects and goals of the Medicaid and CHIP managed care plans
    - Maintain a data platform and system to enable all functions of the EQRO
    - Conduct special ad hoc analysis (for example an analysis as a result of a review finding)
    - Report study and analytical findings
    - Provide consultation and support to DMS and the MCO's
    - Conduct data analysis activities
    - Assist in the development of quality improvement action plans

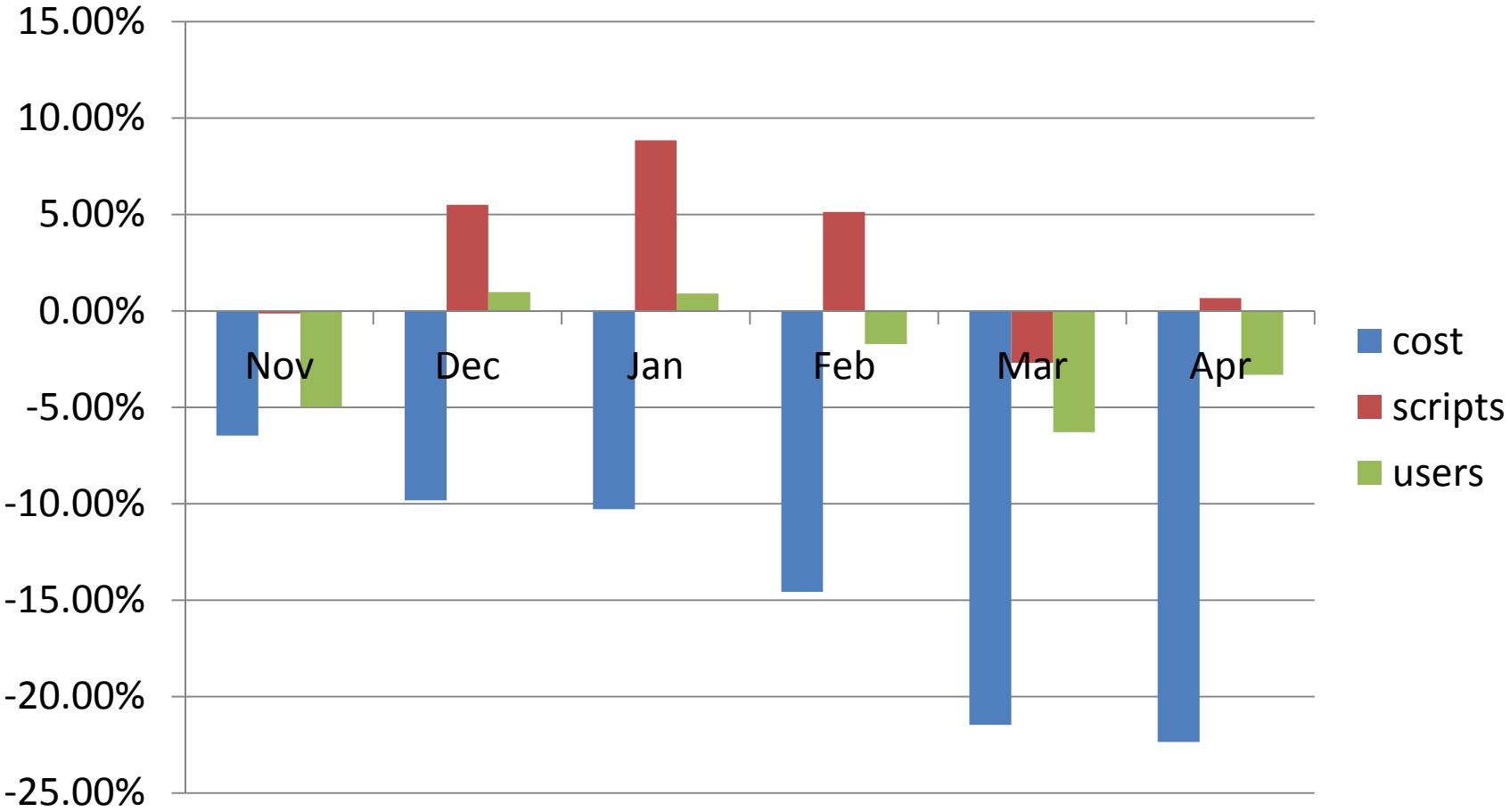
Other DMS priorities

- Rector & Associates

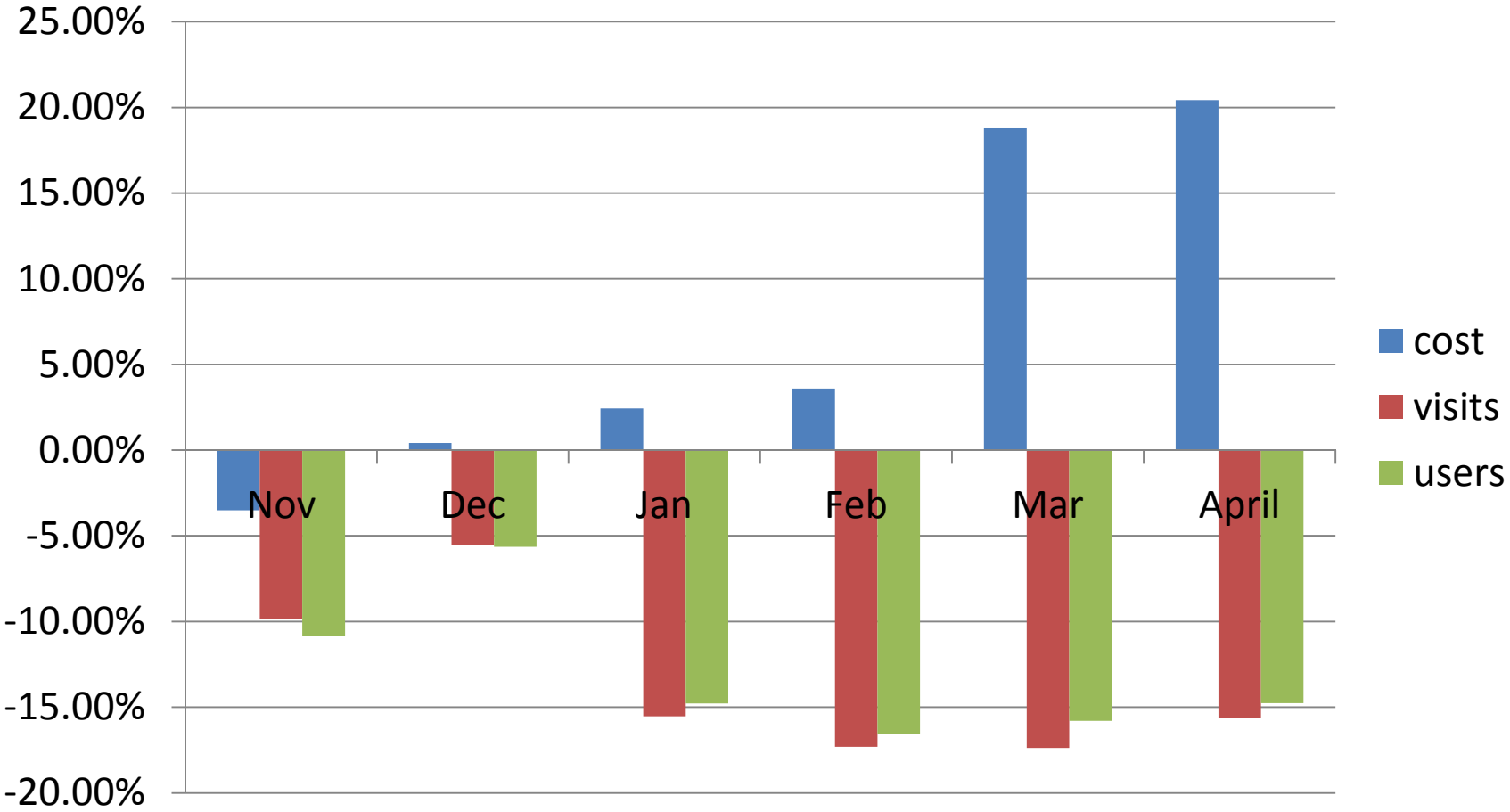
  Contract effective 7/1/12 – 6/30/14. Firm retained to perform additional financial analysis in addition to the normal audits performed by the KY Department of Insurance. The goal of this analysis is to achieve improved financial tracking.

  - Perform market conduct examinations of the MCO's including review of the MCO's operations, underwriting and rating practices, handling of complaints, appeals and grievances, claim settlement practices, and marketing and sales practices. Examinations will supplement, not replace, the market conduct examinations carried out by the Kentucky Department of Insurance as part of its oversight of licensed insurers.
  - Conduct review of MCO financial data, including items such as monthly, quarterly and annual statutory financial statements and reports, ledgers, accounts and related computer documents to ensure compliance with accepted accounting principles and practices and adherence to Federal and State laws, regulations, and contract obligations.

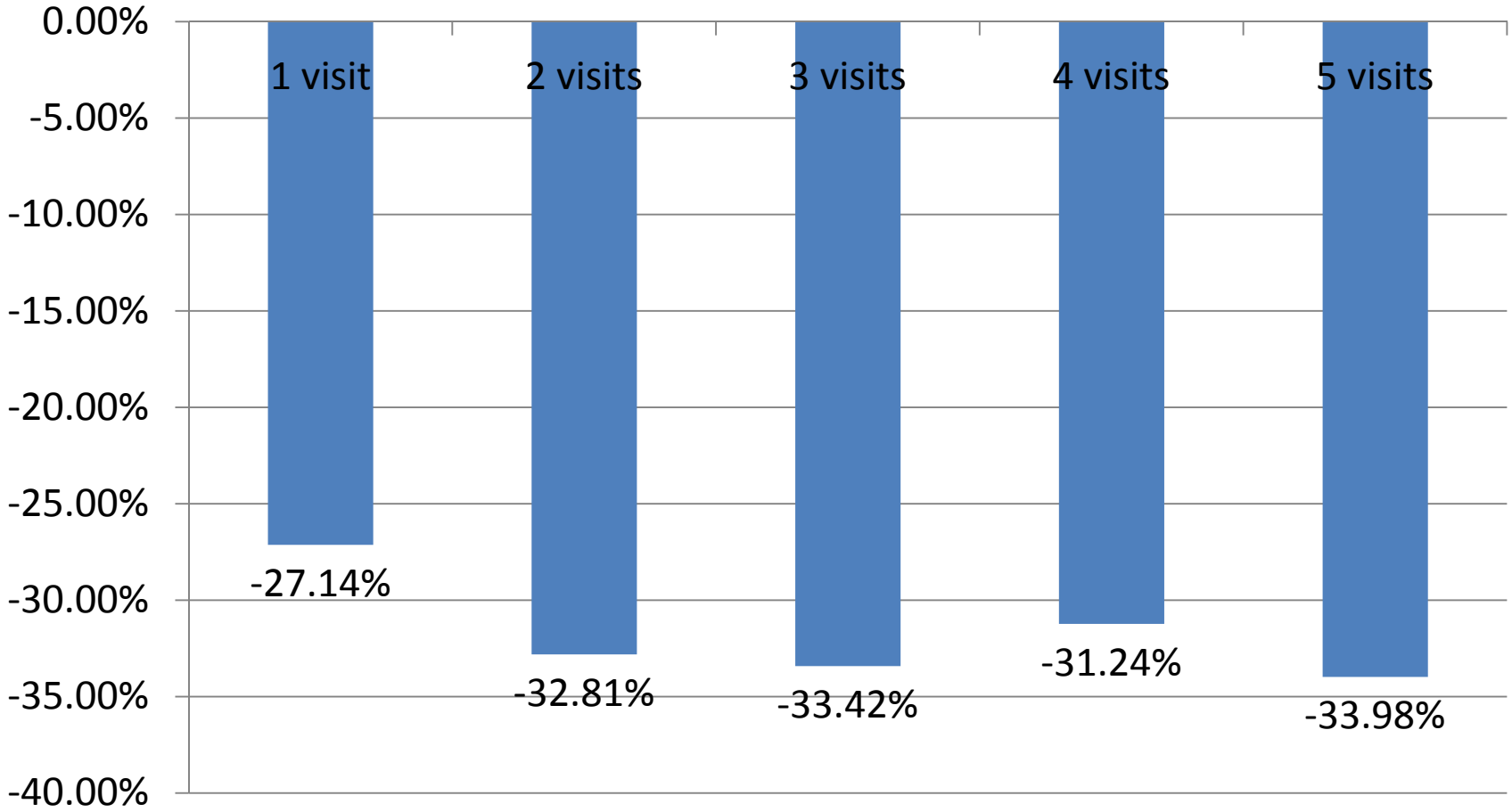
Initial Rx results 11/1/10 to 4/30/11 VERSUS 11/1/11 to 4/30/12 excluding Passport



Initial ER results 11/1/10 to 4/30/11 VERSUS 11/1/11 to 4/30/12 excluding Passport



ER visits (another view)



Success stories

- **Increased health screenings:** An MCO nurse received this message from a member. "Thank you for calling me and encouraging me to have a mammogram. I found out I had early stages of breast cancer. The Doctor said since it was caught early, I should be fine. I want to thank your company for this. If it had not been for someone in your company calling me, I never would have had it done. Thank you."

- **Improved health outcomes:** An MCO member needed a wheelchair ramp and railing system to make her home accessible following multiple back and hip surgeries and various cancer treatments. She is not mobile and has been isolated from her community for some time. Although this member was reluctant to accept case management services in the beginning, the MCO team built trust with her and she later said that her quality of life was changed by the experience of having the ramp built for her home. In addition, one of the MCO's field representatives contacted a local faith based organization and worked with the local churches in her area. The churches raised funds and labor for building the wheelchair ramp and linked her to individuals who now act as her local support system.

Success stories

- **Improved health outcomes:** The MCO case manager had been unsuccessful in reaching a member who had been identified as being pregnant. After several attempts to contact the member via phone and mail, the MCO field rep was deployed for a home visit. When the MCO rep arrived at the address, they found it was a motel in a small central Kentucky town. During the visit, the MCO rep connected the member to her case manager via phone. The member had 3 children and was pregnant with her 4th. She indicated that the father of her children had been abusive. The MCO rep set the member up with a no-cost cell phone so that it would be easier for her to connect with her case manager who could help her coordinate the member and her children's care needs. She also was able to connect with needed social services. The member expressed how grateful she was for the MCO finding her and providing her with help. She was very thankful and tearful that the MCO was not only willing to help her, but also her children.

- **Improved health outcomes:** The MCO case manager began with a member in January 2012. The member was living at the Salvation Army, had a history of drug abuse and previous pre-term deliveries. The MCO case management team maintained close contact with the mother throughout her pregnancy, delivery and post-partum period. The mother delivered at 36 weeks and resulted in a normal newborn delivery. The case management team assisted the member to find appropriate housing to bring her baby home to. The case manager worked with the non-profit Madonna House in Northern KY. Although the journey was not easy and required thorough background checks and personal interviews, the mother and child were finally accepted into the wonderful Madonna House program.

Success Stories

- **Increased Patient Compliance:** A MCO member had a family court date due to her previous drug and criminal history. The MCO team educated the member and helped her understand the reasons for social services and the need for family court. They helped the member to understand that the court was not against her, but trying to help create a plan that would ensure her success in her role as a parent. The member remained sober throughout her pregnancy and continues to pass ongoing drug tests. It was difficult, but the member is now living in her own apartment and they are assisting her with setting up childcare, learning life skills, counseling, and she is signed up to start back in school. The member has indicated that she is very grateful to the case management team for being strong supporters during her difficult times and for believing in her.

- **Increased Patient Compliance:** An MCO case manager in Region 8 had difficulty locating a member. They found him living in a small house on a steep bluff with multiple animals. Upon entry into the house, the MCO rep found a 1 room space with no bathroom facilities, no stove, no refrigerator, and no electricity. His living conditions caused immediate alarm and the case management team started immediately to work with housing resources to locate other options. The member also confided that he was not taking his heart and blood pressure medications. The case management team contacted local pharmacies and located one that would provide home delivery. The team also set the member up with a primary care physician and arranged for transportation to the appointment. The MCO team continues to follow up to ensure the member is taking his medications and seeing his doctor regularly.