

MCO 101:

THE GROWING IMPORTANCE AND CENTRICITY OF MEDICAL MANAGED CARE ORGANIZATIONS IN CHILDREN'S MENTAL HEALTH

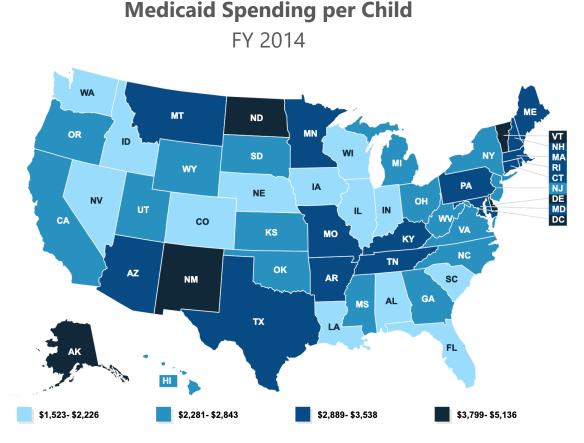
Overview and Call-to-Action

November 2020



THE PROBLEMS DRAMATIC UNDER-INVESTMENT

- California is in the bottom 1/3
 nationally for health spending at \$2,500
 per child enrollee .
- Children represent 42% of enrollees but only 14% of expenditures.
- California ranks 44th in Children's
 Mental Health Access per Mental Health
 America 2020 state by state rankings.



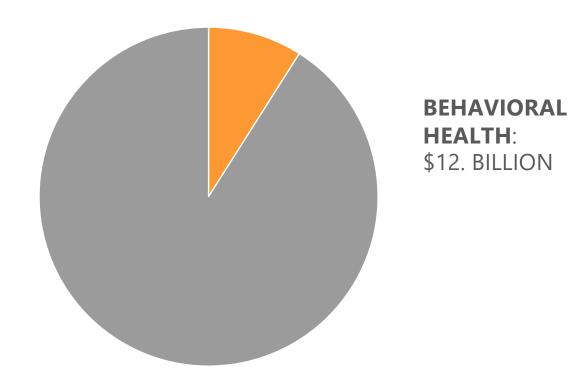


THE SYSTEMS

MEDICAID BY THE NUMBERS

1/3 of Californians are covered by Medi-Cal (California's version of MEDICAID), which underinvests in their mental and behavioral health.

Total Dollars: \$105.2 Billion





THE SYSTEMS

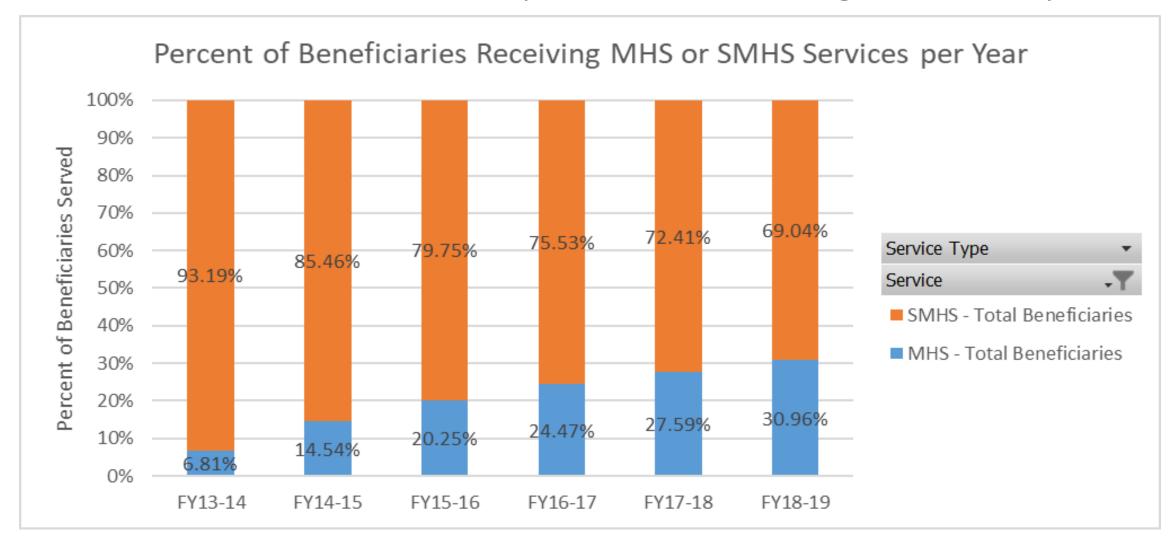
OVERVIEW OF FUNDING MEDI-CAL MENTAL HEALTH SERVICES

\$2.5 Billion \$9.5 Billion \$12 Billion MANAGED CARE ORGANIZATIONS (MCO) **MENTAL HEALTH PLANS (MHP)** Significant levels of impairment that meet Title 9 Mild to moderate levels of impairment medical necessity criteria A Medi-Cal beneficiary's severity 1) Beneficiary accesses mental health services via County MHP 1) Beneficiary accesses MH services via Medi-Cal FFS or of illness drives the Medi-Cal Managed Care Plan funding source for the mental health services 2) Provider submits claims for payment to the County MHP Counties are **Medi-Cal managed Care Plan** responsible for **Medi-Cal FFS Enrollee** Enrollee the non-federal 3) MHP pays 100% of the up-front costs of services at **DHCS** is share of Medireimbursement rates set by the county for directly operated and 2) Network providers submit claims Cal funding responsible for 2) Providers submit claims contracted services to the managed directly to DHCS. the non-federal care plan. share of Medi-4) MHP submits Certified Public Expenditures to the DHCS to draw Cal through down federal reimbursement for Medi-Cal state General 3) Health plans pay providers out Fund revenue 3) DHCS reimburses of the monthly capitation 5) DHCS reimburses the MHP costs throughout the year based on providers via a fiscal payment received from DHCS, the federal matching rate which is inclusive of the federal intermediary. and state Medi-Cal funding. county general fund. 6) DHCS seeks reimbursement from CMS 4) DHCS seeks reimbursement from CMS. 7) Year-end cost reconciliation between DHCS and county MHPs



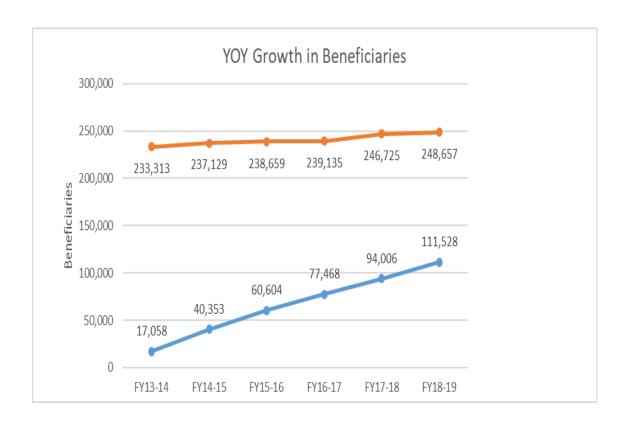
THE SYSTEMS

The number of children seen by MCO's is increasing dramatically





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While MHP's, despite dramatic growth in non Federal revenues and eligible beneficiaries....

Have reached only marginally more children (mostly in LA).



Why we are here...

Regardless of your position on the EPSDT Entitlement....

And the State has clearly signaled its intentions...

MHP's Face A
Challenging Budget
Climate....

Providers can and should learn how to work with MCO's.

