Medi-Cal Managed Care: The Basics

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March 4, 2021

California's Medicaid Program – Fast Facts

- California's Medi-Cal program is the largest Medicaid program in U.S.

- Medi-Cal covers roughly 1/3 of all Californians

- Total enrollment of 12.8 million Californians, including 5.2 million children

- Medi-Cal financing comes from combination of federal and state/county governments

- Pays for more than 50% of all births & covers more than 40% of all children

Most Medi-Cal Beneficiaries Enrolled in Managed Care

- California was **first** state to implement Medicaid managed care starting in 1970s

- Medi-Cal managed care expanded slowly until mid-1990s

- Approximately 80% (10+ million) of Medi-Cal beneficiaries enrolled in health plans

- Managed care available statewide in **all** 58 counties

Major Milestones for Medi-Cal Managed Care

1973: First Medi-Cal managed care plans established

1983: First COHS implemented in Santa Barbara County (CenCal Health)

1993: Most children/parents required to enroll in a health plan

2010: Most seniors/persons with disabilities required to enroll

2012: Medi-Cal managed care expanded statewide

2014: ACA Medi-Cal expansion to low-income adults; health plans required to cover mild-to-moderate MH services

Medi-Cal Managed Care's Unique Program Design

● County-based program with six models:

- ✓ County Organized Health System (COHS)
- ✓ Two-Plan
- ✓ Geographic Managed Care (GMC)
- ✓ Regional
- ✓ Imperial
- ✓ San Benito

Overview of Medi-Cal Managed Care Models

Managed Care Model	Key Characteristics
COHS	• Operates in 22 counties; six COHS offer coverage • Single public health plan enrolls all Medi-Cal beneficiaries in the county
Two-Plan	• Operates in 14 counties; two health plans – one Local Initiative (LI) and one commercial plan – offer coverage • Lone exception is Tulare County where two commercial health plans offer coverage
GMC	• Operates in two counties; multiple commercial health plans offer coverage
Regional	• Operates in 18 largely rural counties; two commercial health plans offer coverage
Imperial	• Operates in Imperial County; two commercial health plans offer coverage
San Benito	• Operates in San Benito County; beneficiaries can choose to remain in FFS or enroll with the single commercial health plan offering coverage

Medi-Cal Managed Care Models by County

Medi-Cal Managed Care Models

Legend:
- County Organized Health Systems
- Geographic Managed Care
- Two-Plan Model
- Regional
- Other

- **COHS:** 6 plans, 22 counties
- **Two-Plan**: 9 Local Initiatives and 3 commercial plans, 14 counties
- **GMC:** 8 commercial plans, 2 counties
- **Regional:** 2 commercial plans, 18 counties
- **Imperial:** 2 commercial plans, 1 county
- **San Benito:** 1 commercial plan, 1 county

Source: California Department of Health Care Services.

Medi-Cal Health Plan Directory

To find out which health plans operate in a specific county, see the Medi-Cal health plan directory on DHCS's website:

https://www.dhcs.ca.gov/individuals/Pages/MMCDHealthPlanDir.aspx

Medi-Cal Relies Heavily on Public Health Plans

- Unlike most states which contract with a limited number of commercial health plans, Medi-Cal contracts with 24 different health plans
- Medi-Cal health plans include 15 local, county-based ("public") health plans
  - ✓ 9 Local Initiatives
  - ✓ 6 COHS
- Local health plans operate in 36 counties
- Local health plans provide coverage for more than 2/3 of Medi-Cal managed care population

Medi-Cal Health Plans Cover Most Eligible Populations

- Enrollment into a health plan is mandatory for most Medi-Cal beneficiaries
- Except for the COHS counties, populations not required to enroll include:
  - ✓ Beneficiaries dually-eligible for Medi-Cal and Medicare
  - ✓ Foster youth
  - ✓ Adults without satisfactory immigration status
  - ✓ Individuals with approved "medical exemption requests" (MERs)
- Enrollment voluntary for Medi-Cal beneficiaries in San Benito County

Key Components of Medi-Cal Managed Care

- Medi-Cal beneficiaries can choose their health plan or be "auto-assigned" to available health plan (non-COHS counties)
- Medi-Cal health plan members choose their PCP or are "auto-assigned" by health plan
- Health plans paid monthly on a prospective, capitated basis ("per member, per month")
- Health plans provide physical and some mental health benefits (lower-acuity MH services)

Some Services "Carved-Out" from Health Plans

- Most health plans are not required to cover:
  - ✓ Specialty mental health and SUD services
  - ✓ Long-term care services and supports
  - ✓ Organ transplants
- Health plans have been responsible for most prescription drug coverage but will be "carved out" effective later in 2021

CA DHCS Monitoring & Oversight Functions

- CA Department of Health Care Services (DHCS) contracts with Medi-Cal health plans and monitors performance and contract compliance
- Health plan monitoring and oversight includes:
  - ✓Analysis of health plan reporting
  - ✓Monitoring quality of care, beneficiary satisfaction
  - ✓Conducting health plan audits, enforcement

Medi-Cal & Behavioral Health

- Medi-Cal benefits include mental health and SUD services
- Behavioral health services for children & youth also covered under EPSDT benefit
  - ✓ EPSDT covers all medically necessary **Medicaid** services allowed under federal statute, including behavioral health, even if not covered by Medi-Cal
  - ✓ Applies to children/youth from birth to age 21
- Delivery of Medi-Cal BH services bi-furcated between counties and Medi-Cal health plans
  - ✓ Counties responsible for specialty mental health and SUD services
  - ✓ Health plans responsible for lower-acuity mental health services (i.e., "mild-to-moderate" services)
- Fragmented delivery system leads to frustration for patients, providers, health plans & counties

Medi-Cal Managed Care & Mental Health Care

- Health plans required to provide the same mild-to-moderate benefits as FFS Medi-Cal program:
  - ✓Individual and group mental health evaluation and treatment (psychotherapy)
  - ✓Psychological testing
  - ✓Outpatient services to monitor drug therapy
  - ✓Outpatient lab, drugs, supplies and supplements
  - ✓Psychiatric consultation
- Health plans contract with providers to deliver services to enrollees and must meet network adequacy requirements defined by DHCS
- Some Medi-Cal health plans manage mental health benefit directly; others contract with managed behavioral health organization

2021 Medi-Cal Health Plan Procurement

- DHCS issuing RFP to re-procure Medi-Cal commercial health plans in 2021
- DHCS will also update LI, COHS contracts to match new commercial contract
- First procurement in 15+ years – rare opportunity to influence contract language
- DHCS issued RFI in September 2020 to solicit input from stakeholders on RFP/new contract content
  - ✓ CCT submitted response to DHCS
- DHCS expected to release draft RFP in Spring 2021 for public comment
- Implementation of new contracts expected January 2024
- For more information:
  https://www.dhcs.ca.gov/provgovpart/rfa_rfp/Pages/CSBhomepage.aspx

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