

# Complex Care Management

## Medicaid Health Plans of America

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Webinar



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# Complex Care Management in Medicaid

1. Medicaid spending on high-cost, high-risk beneficiaries.
2. Potential savings for State Medicaid programs.
3. Diagnostic characteristics of highest cost Medicaid beneficiaries.
4. Key Components, Objectives, and Tactics
5. Obstacles to Complex Care Management
6. Q & A

# Complex Care Management in Medicaid

## **The Problem and the Opportunity**

# Medicaid Spending on High-Cost, Complex Patients

Percent of Eligibles	Eligibles 2011	Spending 2011	Percent of Spending	Per Capita Cost
100%	60 million	\$466 billion	100%	\$7,767
15%	9 million	\$350 billion	75%	\$38,889
8%	4.8 million	\$308 billion	66%	\$64,167
4%	2.4 million	\$233 billion	50%	\$97,083

Note: Estimates for FY 2011, all funds (federal and state share)

Source: Sellers Dorsey analysis of figures from Center for Health Care Strategies, Kaiser Family Foundation, and CMS Office of the Actuary.

# Medicaid Budget Savings Potential: Scenarios

Target	5% Savings	10% Savings	15% Savings
15% of eligibles 9 million eligibles \$350 billion costs \$38,889 per capita	\$17.5 billion (AF) \$7.5 billion (State)	\$35 billion (AF) \$15 billion (State)	\$52.5 billion (AF) \$22.6 billion (State)
8% of eligibles 4.8 million eligibles \$308 billion costs \$64,167 per capita	\$15.4 billion (AF) \$6.6 billion (State)	\$30.8 billion (AF) \$13.2 billion (State)	\$46.2 billion (AF) \$19.9 billion (State)
4% of eligibles 2.4 million eligibles \$233 billion costs \$97,083 per capita	\$11.7 billion (AF) \$5 billion (State)	\$23.3 billion (AF) \$10 billion (State)	\$35 billion (AF) \$15 billion (State)

Source: Sellers Dorsey estimates for FY 2011. For illustrative purposes. Average State share is 43%.

# Most Costly 5% of Medicaid Patients: Top 10 Diagnostic Pairs

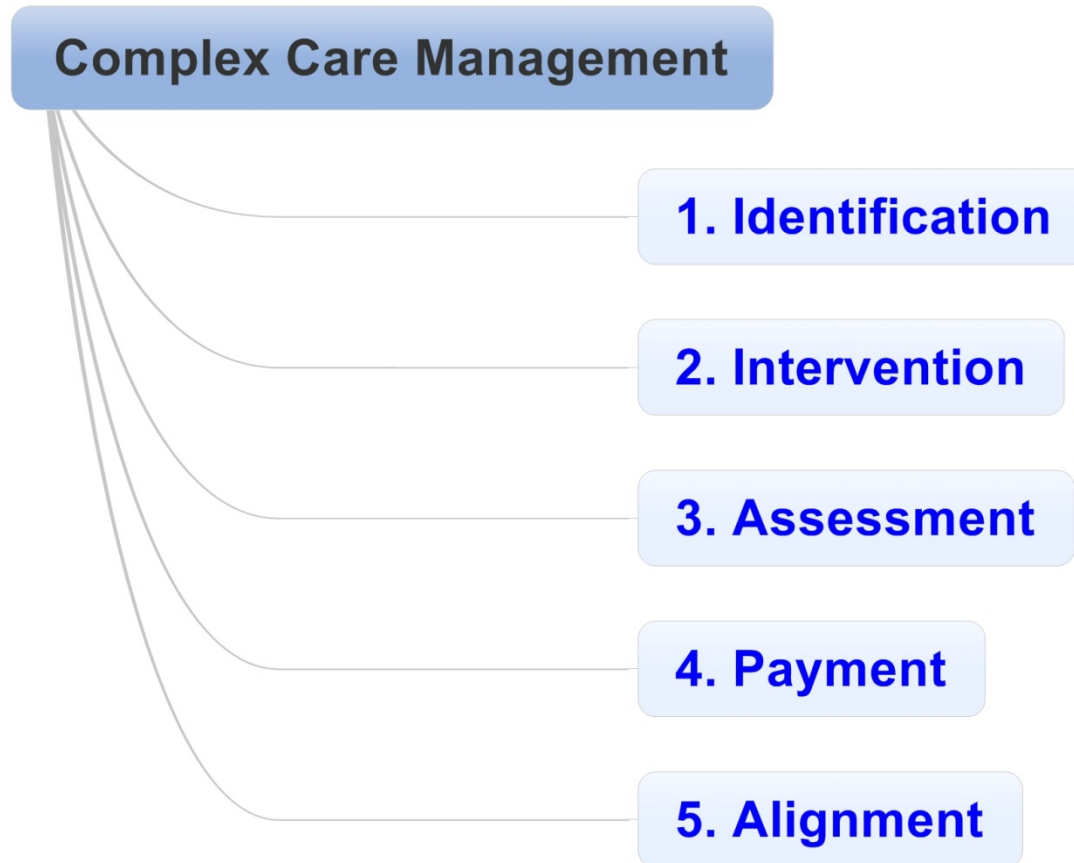
Diagnostic Pairs	Percent
Cardiovascular–Pulmonary	30.5%
Cardiovascular–Gastrointestinal	24.8%
Cardiovascular–Central Nervous System	24.8%
Central Nervous System–Pulmonary	23.8%
Pulmonary–Gastrointestinal	23.8%
Cardiovascular–Psychiatric	22.0%
Cardiovascular–Renal	20.8%
Central Nervous System–Gastrointestinal	20.7%
Psychiatric–Central Nervous System	20.7%
Cardiovascular–Diabetes	19.2%

Source: *The Faces of Medicaid II: Recognizing the Care Needs of People with Multiple Chronic Conditions*. Center for Health Care Strategies. October 2007.

# Complex Care Management in Medicaid

## **Key Components and Tactics**

# Complex Care Management: Five Core Components



# Key Component of Care Management

1. Identify patients most likely to benefit from care management.
2. Assess the risks and needs of each patient.
3. Develop a care plan together with the patient/family.
4. Teach the patient/family about the diseases and their management, including medication management.
5. Coach the patient/family how to respond to worsening symptoms in order to avoid the need for hospital admissions.
6. Track how the patient is doing over time.
7. Revise the care plan as needed.

Source: *Care Management of Patients with Complex Health Care Needs* (research synthesis). Robert Wood Johnson Foundation. December 2009.



# 1. Identification

## Objectives:

- Identify the highest risk, highest cost Medicaid beneficiaries with greatest potential for improved clinical outcomes.
- Stratify and prioritize the identified beneficiaries.

## Tactics:

- Predictive modeling tools.
- Comprehensive health assessment instrument.
- Chart reviews.
- Questionnaires and surveys.
- Self referrals
- Third party referrals (providers, family, community groups, churches)

## 2. Intervention

### Objectives:

- Provide comprehensive, patient-centered, evidenced-based care management services.
- Improve quality, safety, and cost effectiveness of Medicaid financed care.

### Tactics:

- Multi-disciplinary care teams, including nurse practitioners.
- Comprehensive, integrated, interactive care planning.
- Face-to-face communication with patient in the home.
- Patient-centered medical home.
- Care transition services.
- Integration of physical health and behavioral health.
- Care coordination, coordination and follow-up on referrals.
- Medication therapy management.
- Patient education and self-care training.
- In-home technologies.
- Evidenced-based practices throughout.

# 3. Assessment

## Objectives:

- Systematically measure quality of care, utilization, costs, and patient satisfaction.
- Know what is and is not working. Make adjustments accordingly.
- Demonstrate value to State, providers, beneficiaries, and advocates.

## Tactics:

- Formative, iterative, collaborative evaluation process.
- Outcomes measures, with benchmarking and reporting
- Continuous quality improvement process.
- Use consensus-based, endorsed measures of quality (NQF, HEDIS).
- Satisfaction surveys.
- Calculate and track Return on Investment (ROI).

# 4. Payment

## Objectives:

- Remove barriers, disincentives from current fee-for-service payment.
- Ensure degree of financial accountability for CCM performance.
- Align health plan capitation and provider reimbursement with CCM performance.

## Tactics:

- Shared savings with health plans and providers – Performance risk, either up or up/down side.
- Global fees, bundled payment, episode or condition-based fees.
- Remove FFS utilization disincentive, especially for hospitals.
- Pay for Performance (P4P).
- Risk adjustment.
- Extra fees for case management.
- Shared savings between Medicare and Medicaid programs.
- Incentives for healthy behavior.

# 5. Alignment

## Objectives:

- Ensure that CCM initiative is fully aligned with, not conflicting with other Medicaid or health plan activities and policies.
- For dual eligibles, align CCM with Medicare as much as feasible.

## Tactics:

- Modify and improve following as necessary at both plan and program levels:
  - ✓ Utilization management / medical management
  - ✓ Benefit design / service coverage
  - ✓ Network management and provider relations
  - ✓ Marketing
  - ✓ Beneficiary communications
  - ✓ Data reporting
  - ✓ Community outreach, community partnerships
- Health information technology, decision support, analytical capabilities.
- Build, match network capacity to CCM needs.
- Align with State long-term care reform / redesign.
- Align with Medicare program and providers (coordination, incentives, shared savings, CMMI demo).

# Obstacles to Complex Care Management

1. Dissemination of MHPA Member Plan successes.
2. Translating the ROI / benefits within State budget process.
3. Traditional fee-for-service payment methods.
4. Preference for physician-led FFS models.
5. Legacy of “disease management.”
6. Looking at only primary and acute care, not long-term care.
7. Disconnect between Medicaid and Medicare.
8. Research base is still evolving.

# Questions?



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