

**Medicaid
Primary Care Case Management:
Opportunities, Issues and Concerns**

Vernon K. Smith, Ph.D.

for

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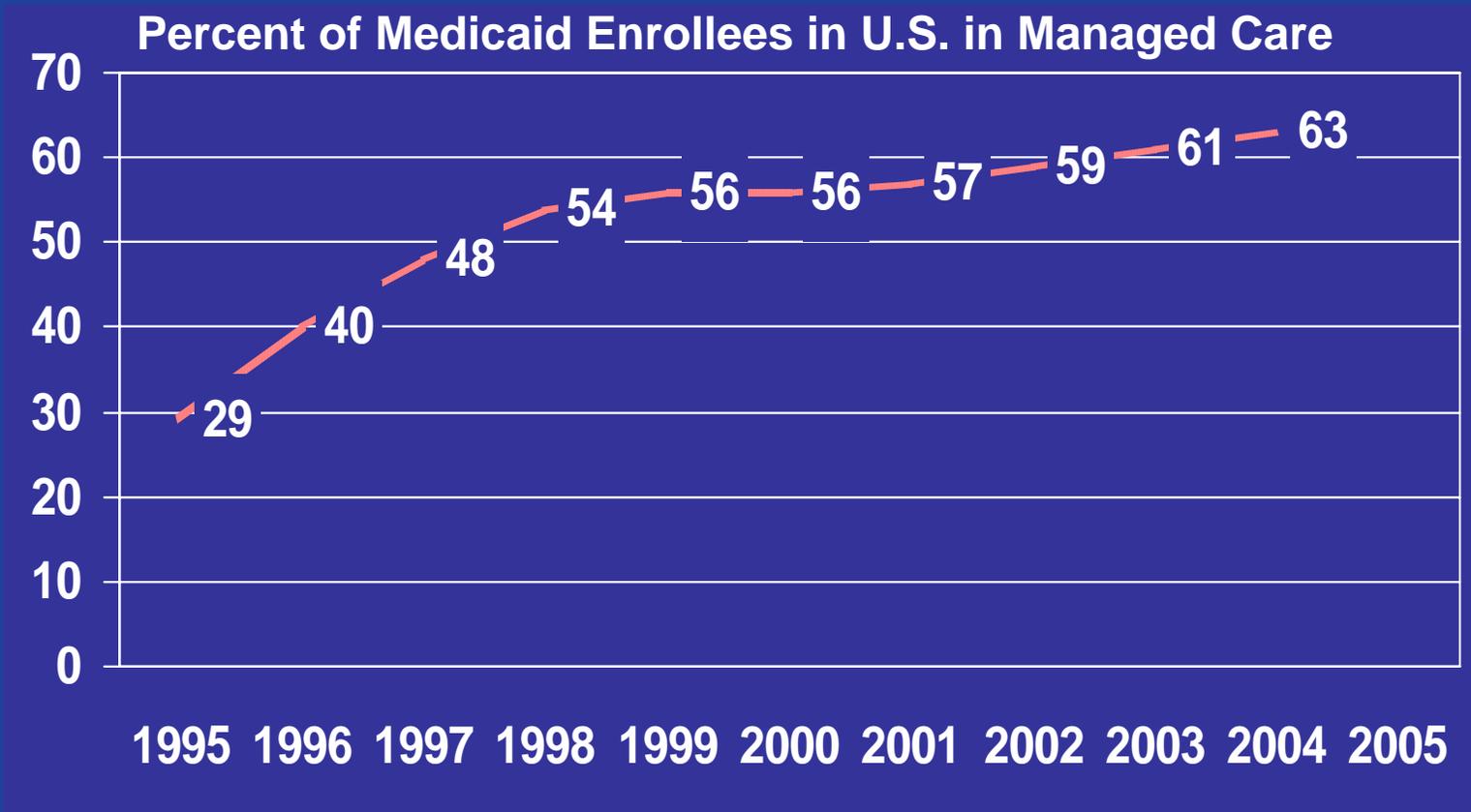
vsmith@healthmanagement.com

HEALTH MANAGEMENT ASSOCIATES

Objectives of Presentation

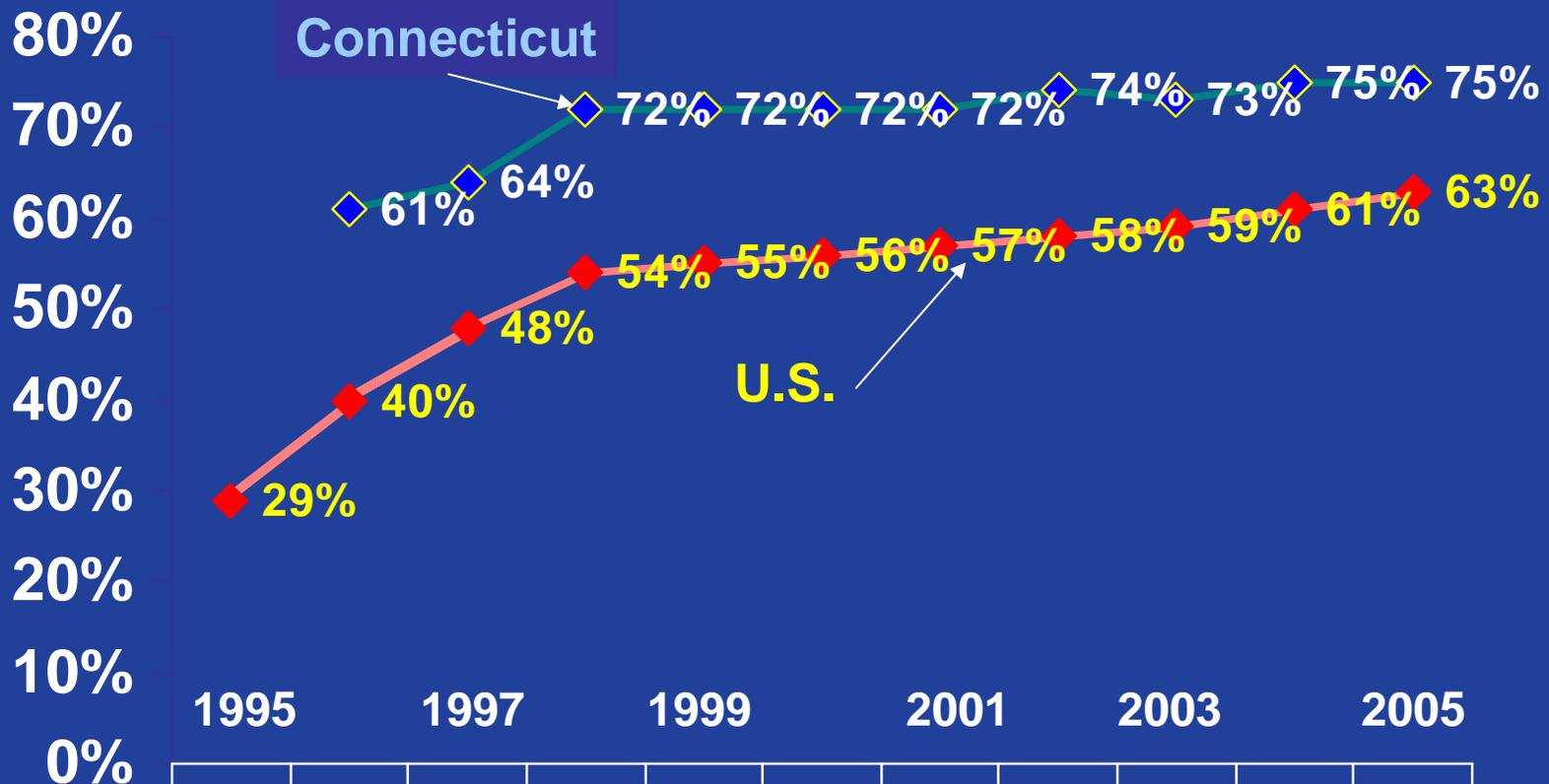
- Context for discussion: Current trends in Medicaid managed care
- Key Features of a PCCM
 - Basic model
 - Enhanced model
- Best Practices among state PCCMs
- What a PCCM would mean to beneficiaries, providers and the Medicaid state agency
- Summary of key issues

Almost 2/3 of U.S. Medicaid Enrollees Are Now in Managed Care



Source: CMS, Medicaid Managed Care Reports, 1996-2005

Compared to All States, Connecticut Medicaid Enrollees More Likely to be in Managed Care



Source: CMS, Medicaid Managed Care Reports, 1996-2005

FY 2007 National Medicaid Managed Care Directions

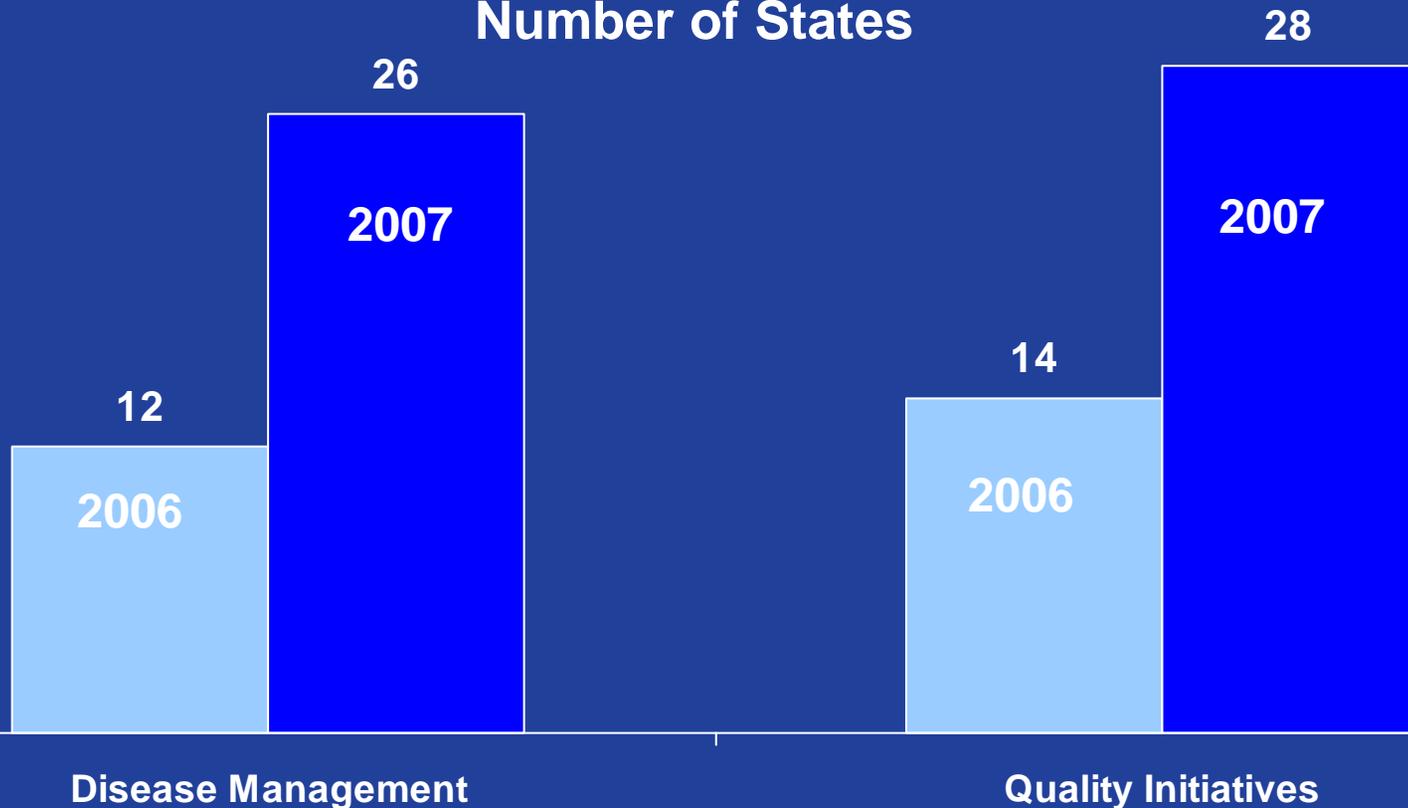
- Expansions to additional populations, such as the disabled
- Extensions to additional geographic areas, usually rural
- Shifts to mandatory enrollment
- Enhancements to quality measurement, monitoring and improvement

SOURCE: Vernon Smith, Kathleen Gifford, Eileen Ellis, Amy Wiles, Robin Rudowitz, Molly O'Malley and Caryn Marks, *Low Medicaid Spending Growth Amid Rebounding State Revenues: Results from a 50-State Medicaid Budget Survey State Fiscal Years 2006 and 2007*, Kaiser Commission on Medicaid and the Uninsured, October 2006. www.kff.org/Medicaid/7569.cfm

Selected State Medicaid Policy Actions FY 2006 and FY 2007

■ 2006 ■ Adopted for 2007

Number of States



SOURCE: Vernon Smith, Kathleen Gifford, Eileen Ellis, Amy Wiles, Robin Rudowitz, Molly O'Malley and Caryn Marks, *Low Medicaid Spending Growth Amid Rebounding State Revenues: Results from a 50-State Medicaid Budget Survey State Fiscal Years 2006 and 2007*, Kaiser Commission on Medicaid and the Uninsured, October 2006.

What is PCCM? (Primary Care Case Management)

A form of managed care, in which a beneficiary enrolls with a specific primary care provider who:

- *agrees to be the medical home*
- *guarantees access to primary care*
- *makes referrals for specialty and hospital care*
- *is not responsible for certain services, such as emergency care, behavioral health, dental, vision, hearing, DME, family planning.*

What is Enhanced PCCM?

Medicaid can enhance PCCM by

- Incorporating Disease Management
- Adding a Quality Improvement component
- Using reimbursement to reward performance
- Using provider report cards based on HEDIS® and CAHPS® data to assess and compare progress
- Training providers on priority areas, such as well-child visits, diabetes or asthma management
- Nurse advice phone lines
- Provider newsletters to communicate on issues and highlight successes

PCCM Plans Enrolled about 7 Million Medicaid Beneficiaries in 1995

PCCM 7 million in 29 states

HMOs 19 million in 37 states

(A.) PCCM, No HMOs = 11 states

(B.) PCCM *and* HMOs = 18 states

(C.) HMOs, No PCCM = 19 states

Why States Consider a PCCM

- To provide medical management and an organized delivery system
- To assure access in specific geographic areas or populations
- To create a structure for quality measurement, quality improvement and accountability
- To achieve cost savings

How a PCCM Assures Access

- Medicaid develops a PCCM network of primary care providers (PCPs)
 - sufficient to serve all Medicaid patients
- PCPs sign PCCM agreement (in addition to Medicaid enrollment)
 - to provide medical management, access to care 24/7, adequate office hours, referrals
 - allows PCP to set number of patients
- Medicaid patients enroll (or are auto-enrolled) with their choice of PCP
 - PCP name and phone # are on Medicaid card

Access is Encouraged by Additional Reimbursement for a “Case Management Fee”

- \$3 per enrollee per month is common
 - Intended to cover extra care management requirements
- State variations include:
 - Converting case management fee into enhanced payment for office visits
 - Converting case management fee and primary care reimbursements into a capitation payment for primary care

How a PCCM Improves Quality

- A medical home establishes a physician – patient relationship for primary care
- The patient always knows where to go for care (so less likely to use the ER)
- Medicaid can credential PCPs, and can set standards for performance and quality
- Able to create HEDIS®, CAHPS® and utilization reports for each PCP practice
- Able to do quality improvement initiatives and disease management

How a PCCM Achieves Cost Savings

- A PCCM allows the PCP to provide and organize medical care
- Patients are more likely get care at the right time in the right place – to go first to the PCP rather than the ER
- PCP provides oversight of specialty referrals
- Performance reports provide feedback to PCPs and encourage good care

PCCM Impacts and Cost Savings

- Under PCCM, typically there are:
 - increases in doctor visits and prescribed drugs
 - decreases in ER visits and inpatient hospitalizations
- Net cost savings are reported in the range of 5% to 15%

PCCM Impacts on Providers

- PCP knows who Medicaid patients are
 - a clear doctor – patient relationship
- Can be relatively easy to navigate
 - Referrals are usually straightforward
- Provides enhanced Medicaid reimbursement within fee-for-service
- Office requirements may change practice
- PCP practice and referral patterns are compared to other practices or plans
- PCCM services can assist PCP

PCCM Impacts on Medicaid Patients

- Assures a medical home for every patient
- Guarantees availability of care
- Provides access to primary care and to specialists
- Provides support and a place to ask questions

PCCM Impacts on State Medicaid Agency

- May require major investment, time and effort
- Must develop new systems for
 - Provider enrollment, network development and credentialing
 - Reimbursement
 - Provider and enrollee education and communication
 - Referrals
 - Utilization control
 - Quality improvement initiatives
- An enhanced PCCM will require all the resources and skills of a well-run HMO

Special Populations May Require Specific Policies

- Medicaid must consider how to serve:
 - Individuals with high cost, complex medical conditions requiring a lot of specialty care
 - Aged and disabled populations
 - Children in foster care
 - Pregnant women
 - Persons in long term care

Administrative Options for a State

1. Contract out some or all administrative functions of PCCM; or
2. Develop the infrastructure to administer the PCCM within Medicaid

Administrative functions include

- Recruitment of PCCM provider network
- Provider credentialing
- Claims processing
- Reimbursement of PCPs and other providers
- Utilization management
- Quality monitoring and improvement
- Data collection and preparation of reports

Downsides to a PCCM

- Requires state effort to develop
- Requires state to develop or contract for expertise to run
- State bears financial risk
- Sometimes regarded as “managed care light” although PCCM generally performs similarly to HMOs

Conclusion

- PCCM has proved itself to be a viable option for state Medicaid programs to consider, as a means to assure access, improve quality and obtain value for state dollars, but whether it is right for a given state always depends on the policy objectives and options in each state.