



# **Review of Medicaid Managed Care Letter of Intent and Contract Provisions**

**Global Waiver Task Force Meeting  
August 23, 2010**

# Medicaid Managed Care Reprocurement - Overview

- ◆ DHS Medicaid budget constraints
- ◆ DHS issued an Request for Information (RFI) in January 2010
  - Several areas of budget savings identified in RFI
  - 11 responders – 5 health plans & 6 advocacy/professional organizations
- ◆ Goal of Reprocurement: Leverage health plan efficiencies to produce Medicaid budget savings and quality health outcomes while preserving eligibility and benefits
- ◆ LOI was issued on June 17, 2010 – two bidders
  - Neighborhood Health Plan of Rhode Island
  - UnitedHealthcare of New England

# Blue Cross & Blue Shield of RI Transition

- ◆ 15,000 members; 6600 families enrolled in BCBSRI
- ◆ Extensive overlap of physicians and other providers
- ◆ BCBSRI RIte Care members will be auto-assigned to another plan but may opt-out to a different plan.

# BCBSRI Transition, cont'd

- ◆ Families can change Health Plans for up to ninety (90) days
- ◆ Prior authorizations currently in place will be honored
- ◆ “Warm” transfer from BCBSRI and to accepting plan’s care managers

# Enrollment Schedule & Regions

Rollout Phase	Mailing Date	Enrollment Effective Date	Regions Included	Estimated # of Clients	Field Offices Affected
I	15-Sep-10	18-Oct-10	Providence Pawtucket	4165	Providence Pawtucket
II	1-Oct-10	1-Nov-10	Northern RI	3615	Woonsocket
III	15-Oct-10	15-Nov-10	East Bay Aquidneck Island Block Island South County	3873	East Providence Wakefield
IV	1-Nov-10	1-Dec-10	West Bay	3631	Warwick

# Program Elements in the LOI

- ◆ High Quality Value-Based Care
- ◆ Selective Contracting
- ◆ Program Integrity Requirements
- ◆ Changes in Hospital Reimbursement
- ◆ Generic First Pharmacy
- ◆ Pharmacy Lock-In Program
- ◆ Communities of Care
- ◆ Additional In-Plan Benefits

# High Quality Value-Based Care

- ◆ Further strengthen the role of PCP and wellness model
- ◆ Promotes patient-centered medical home
- ◆ Promoting continuity of care among all providers, including behavioral health
- ◆ Encourages member involvement

# Selective Contracting

- ◆ Maximize the use of lower-cost community-based providers
  - Laboratories
  - Radiology
  - Outpatient procedures
  - Durable Medical Equipment



# Program Integrity

- ◆ Medicaid Fraud, Waste and Abuse Plan
- ◆ Identification and reporting of other insurance coverage

# Hospital Reimbursement

- ◆ RIGL 40-8.13 (Article 20 of the SFY 2011 enacted budget) included language that results in managed care payment reductions to all Rhode Island hospitals by 9.9 percent for inpatient services, effective January 1, 2011 through December 31, 2011.
- ◆ Payments for outpatient services were frozen effective 1/1/11 – rates cannot be higher than 100 percent of rates effective 6/30/10.

# Generic First Pharmacy

- ◆ Implemented for RItE Care families in February 2009 as a budget savings initiative
- ◆ At that time, CSHCN and RHP members were excluded
- ◆ Contract reflects generic first for all populations effective October 1, 2010.
- ◆ Follows protocols established for RItE Care
  - Same exempt list

# Allowing Coverage of Brand Name Drugs on a Case-by-Case Basis/ Medical Necessity Review Criteria

- ◆ Coverage by the health plan of brand name drugs in a therapeutic class or single agent not included in the exempt list is permissible on a case-by-case basis, based on medical necessity and demonstrated lack of efficacy of a generic drug for an individual patient as demonstrated by the prescribing provider.
- ◆ DHS established a Medicaid Managed Care Prescription Drug Benefit Review Committee to monitor the program changes.

# Highlights from RItE Care Generic First Program

- ◆ \$4 million in budget savings
- ◆ Average 86% Generic Dispensing Rate
- ◆ Provider prescribing patterns have shifted
  - Current RHP generic substitution rate=81%
  - Current CSHCN generic substitution rate = 74%

# Pharmacy Lock-In Program

- ◆ Pharmacy Lock-In program has existed in fee-for-service Medicaid for more than 10 years.
- ◆ Members who display certain patterns of pharmacy utilization (e.g. drug seeking behaviors), will be restricted to one pharmacy for all of their medications.
- ◆ Health Plan requirements for member notification.

# Communities of Care

- ◆ Initiative to improve health outcomes and reduce avoidable Emergency Department Utilization

## Key Features:

- Dedicated Provider Network
- Select Provider Referral
- Enhanced Care Management
- Peer Navigators
- Personal Responsibility and Wellness Incentives
  - Active Participation of member

# Additional In-Plan Benefits

- ◆ Smoking Cessation benefits were added for Rhody Health Partners members
- ◆ Home-Based Therapeutic Services for children – target date of Winter 2010