

Medi-Cal Managed Care Models

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Background –

- Geographic Managed Care (GMC) operates in 2 counties. Began in Sacramento in 1994
- County Organized Health Systems (COHS) which operates in 22 counties.
 - Began 1983
 - Each COHS has specific federal legislative authority
- Two-Plan which operates in 14 counties. Created after GMC and COHS-not available to Sacramento
- Regional Model (RM) which operates in 18 counties.

Models

- COHS one government plan in county independent public authority
- GMC multiple commercial plans
- Two plan-Local Initiative
 - Independent public authority
 - County government
 - County designates commercial plan/state contracts
 - Two commercial plans
 - State selects commercial plan
- Regional Model two commercial plans

Model Selection

- State generally defers to county on which model to use
 - Model changes made before implementation
- Sacramento did not have choice of two plan-did not exist at time-Sacramento did not want COHS
- Once implemented state has not changed model
- Fresno had 2 commercial plans. With Kings and Madera became local initiative with commercial plan
- Stanislaus changed the commercial plan designated as the local initiative

Options for change in model

- Likely require change in state law, state support, and federal approval
- Final decision is the state's
- COHS would require change in federal law
- Any change would decrease number of managed care plans
 - Could require enrollees to change plans and providers
 - Remaining plan (s) could subcontract with other plans-but that lowers rates for subcontractor
- Reason for any change would require clearly articulated with benefits weighed against consequences

COHS

- Require County to either create own public authority or contract with existing COHS
- Would provide far more local control over program
- Could require financial support from County
- Would require change in federal law-1 to 2 years
- Implementation could take another 1 to 2 years
- Could be initial confusion as enrollees would have to change plans and could have to change providers
- COHSs have been very successful but some have gotten into financial trouble

Two Plan

- County could create local initiative by either creating own public authority or designating commercial plan
- Would provide more local control over program
- Could require financial support from County if create own public authority
- Implementation could take 1 to 2 years
- Could be initial confusion as enrollees could have to change plans and providers
- Two Plan model has been very successful

Improve the GMC program

- Effort to work with the state in categorizing the problems and developing solutions
- Process could be done informally or formally through state legislation
- The process of identifying problems and solutions would be faster and less complex than a model change
- Resolution of some problems could take extensive time for implementation.
- Could ask the state to reduce number of plans

Conclusion

- It may be possible to obtain a change in managed care models in Sacramento County.
- Effort would be complex and take several years.
- First step in this effort is to articulate what the problems are in Medi-Cal managed care in the County and then how best to address these issues.