



FACT SHEET

MEDI-CAL MANAGED CARE: BACKGROUND AND ENROLLMENT

As the nation's largest Medicaid program, Medi-Cal is a source of health insurance coverage for approximately **6.6 MILLION CALIFORNIANS** including low-income children and their parents, seniors, and persons with disabilities. Although families and children are the largest group of Medi-Cal beneficiaries (76 percent), seniors and persons with disabilities (SPDs) constitute a disproportionate share of Medi-Cal spending (61 percent). (Figure 1).

FIGURE 1: MEDI-CAL ENROLLMENT & EXPENDITURES

Group	Enrollees	Expenditures
Families & Children	76%	38%
Seniors & Persons with Disabilities (SPD)	25%	61%
Disabled & Blind	12%	34%
Total:	6.6 million	\$30.2 billion

Source: "Medi-Cal Facts and Figures," California HealthCare Foundation (2007). Note: figures may not add to 100 percent due to rounding.

Medi-Cal Delivery System Options

Medi-Cal provides health care coverage through either fee-for-service or managed care. (Figure 2).

FIGURE 2: MEDI-CAL FEE-FOR-SERVICE AND MANAGED CARE

Topic	Fee-For-Service	Managed Care
Availability	All 58 counties	22 large counties
Market Share	52% of Medi-Cal (3.4 million)	48% of Medi-Cal (3.2 million)
Population	75% of Medi-Cal SPDs In the 36 counties without managed care: - children - pregnant women - non-disabled parents	In counties where available, enrollment in managed care is generally mandatory for children, their non-disabled parents, and pregnant women (91% of managed care). Enrollment in managed care is voluntary for SPDs (9% of managed care).
Expenditures	82% of Medi-Cal	18% of Medi-Cal

Source: "Medi-Cal Facts and Figures," California HealthCare Foundation (2007)

Fee-for-Service

Medi-Cal began as a fee-for-service health care delivery system. In fee-for-service, beneficiaries are not guaranteed a primary care provider who coordinates care. Instead, beneficiaries themselves must navigate a collection of providers to find physicians and specialists willing to accept Medi-Cal and to attend to each of their health care needs. In turn, Medi-Cal pays the providers a fee for each service they provide. Beyond reducing provider reimbursements, the state has few mechanisms for controlling costs in fee-for-service.

Managed Care

Prompted by escalating costs and poor access to primary care physicians in the fee-for-service system, the state began enrolling large numbers of Medi-Cal beneficiaries in managed care in the 1990's. Although the percentage of Medi-Cal beneficiaries enrolled in managed care has more than doubled to 52 percent since that time, **California still falls behind the national average of 61 percent Medicaid managed care enrollment.**

In managed care, Medi-Cal beneficiaries either selects or is assigned a primary care physician who coordinates the beneficiary's care and provide access to a network of hospitals and specialists within the health plan. Medi-Cal pays the managed care plan a set amount each month for each member. **Because of the fixed payment rates, the state can more easily control costs and maintain budget predictability in managed care.**

Medi-Cal Managed Care Models

Currently, managed care is available in 23 counties in three different managed care “models.” Most families and children are required to enroll in the managed care model available in their counties. Except in counties with County Organized Health Systems, seniors and persons with disabilities have the option of enrolling in fee-for-service or managed care.

County Organized Health Systems (COHS)

COHS are local agencies created by county boards of supervisors to contract with the Medi-Cal program. COHS serve **590,025 beneficiaries** and operate in nine counties.

Geographic Managed Care (GMC)

GMC was implemented to provide medical and dental care for Medi-Cal beneficiaries in San Diego and Sacramento Counties. The GMC model allows many plans to operate within a designated region. The major goals behind implementing of GMC were to increase access, improve quality of care, reduce episodic care, and achieve cost savings in the Medi-Cal program. GMC serves **334,668 beneficiaries**.

Two-Plan

In Two-Plan model counties, selected for having the largest Medi-Cal populations in the state, the Department of Health Care Services contracts with two managed care plans. One plan is commercial and the other plan is a locally organized “local initiative” (LI), initiated by the county board of supervisors. Medi-Cal beneficiaries may enroll in either plan. Approximately **2.35 million beneficiaries** are served by the Two-Plan model in 12 counties.

Managed Care Expansion

The Budget Act of 2005 authorized the expansion of managed care into 12 counties with approximately 300,000 beneficiaries. Implementation is expected to begin in 2008 through 2010 in El Dorado, Imperial, Kings, Lake, Madera, Marin, Mendocino, Merced, Placer, San Benito, Sonoma, and Ventura.

Medi-Cal Managed Care Health Plans

County Organized Health System

- Orange:**
CalOPTIMA
- Monterey & Santa Cruz:**
Central Coast Alliance for Health
- San Mateo:**
Health Plan of San Mateo
- Napa, Solano, & Yolo:**
Partnership HealthPlan of California
- Santa Barbara & San Luis Obispo:**
CenCal Health

Geographic Managed Care

- Sacramento:**
Anthem Blue Cross
Health Net
Kaiser Permanente
Molina Healthcare
Western Health Advantage
- San Diego:**
Care 1st Health Plan
Community Health Group
Health Net
Kaiser Permanente
Molina Healthcare

Two-Plan

- Alameda**
Alameda Alliance for Health & Blue Cross
- Contra Costa**
Contra Costa Health Plan & Blue Cross
- Fresno**
Blue Cross & Health Net
- Kern**
Kern Family Health Care & Health Net
- Los Angeles**
L.A. Care and Health Net
- Riverside & San Bernardino**
Inland Empire Health Plan & Molina Healthcare
- San Francisco**
San Francisco Health Plan & Blue Cross
- San Joaquin**
Health Plan of San Joaquin & Blue Cross
- Santa Clara**
Santa Clara Family Health Plan & Blue Cross
- Stanislaus**
Blue Cross & Health Net
- Tulare**
Blue Cross & Health Net

See companion fact sheet “The Value of Medi-Cal Managed Care” at www.calhealthplans.org.

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