



ISSUE BRIEF

SENIORS & PERSONS WITH DISABILITIES BENEFIT FROM MEDI-CAL MANAGED CARE

April 2010

Managed care plans have decades of experience in organizing and supporting medical homes for seniors and people with disabilities (SPDs) through their commercial plans, Medicare and Medi-Cal.

Medi-Cal managed care offers a number of benefits for the SPD population, including:

- **Access** to a wide network of providers,
- **Care coordination** programs,
- Assurance of **quality care**, and
- Overall **cost savings**.

Access

Access to Physicians Required

Given the complex health care needs of the SPD population, beneficiaries need access to a wide range of services delivered by providers—a guarantee that is not readily available through the fee-for-service system. Licensed Medi-Cal plans, however, guarantee Medi-Cal beneficiaries an extensive provider network as a service to enrollees. Indeed, fee-for-service beneficiaries are more likely than those in managed care to be without a usual source of care. In the event that medical services must be provided outside of the network, plans will make arrangements for that service to allow for seamless access.^{1,2}

Timely Appointments Required

Managed care plans must ensure that their networks are sufficient enough to offer their beneficiaries timely appointments. Primary care physicians must see a patient within 10 days, specialists must offer an appointment within 15 days and urgent care must be available within a few days.³

Language Assistance is Required

Health plans are required to ensure that language assistance is available through 24-hour translation services for limited-English speaking beneficiaries and include sign language interpreters. Furthermore, plans must ensure members have access to culturally and linguistically appropriate care.⁴

Physical Access to Doctors' Offices is Assessed

Managed care plans evaluate the physical accessibility of in-network provider offices. These reviews include an evaluation of parking, ramps, elevators, doorways, restrooms, and exam tables. Members are provided information on accessibility to providers and accommodations will be made to meet the needs of seniors and persons with disabilities to see their providers.

California's Managed Care plans provide quality care for Medi-Cal's seniors and people with disabilities.

Health plans operate under a system of accountability for health outcomes and ensure that every patient has a medical home and access to quality care.

Care Coordination

Medical Home Offered

Health plans assign all beneficiaries to a medical home that is managed by a primary care provider who offers patient-centered care. The primary care provider is the person responsible for supervising, coordinating and providing primary care to patients. They are also responsible for initiating referrals to specialists and for maintaining the continuity of patient care.⁵

Care is Coordinated

Health plans ensure overall coordination of care and case management of members inherently through their structure. Managed care offers referrals to specialists, advice nurses, customer service, support groups and other services to treat patients and ensure preventive care is provided. Furthermore, most managed care organizations obtain or coordinate transportation for beneficiaries to ensure that medical services can be accessed.

Disease Management Offered

Health plans provide case management, disease management, and limited support services which are not required for fee-for-service Medi-Cal beneficiaries. For the SPD population, care coordination is more intensive and based on evidence-based research to ensure quality care.

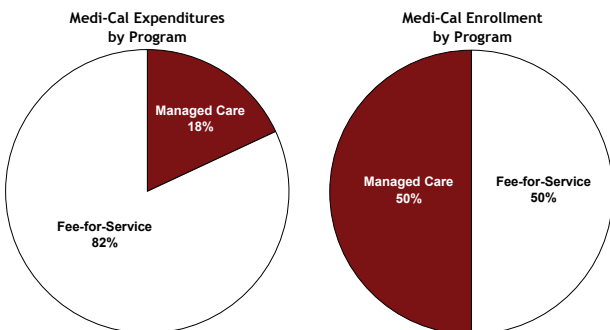
Prevention and Wellness Programs

Prevention and wellness programs are developed and delivered by health plans. These are designed to assist beneficiaries in modifying behaviors to improve health and lower risks for preventable health conditions. Some examples of prevention programs include tobacco use and cessation; alcohol and drug use; injury prevention; reproductive and sexual health education; and nutrition, weight control, and physical activity.

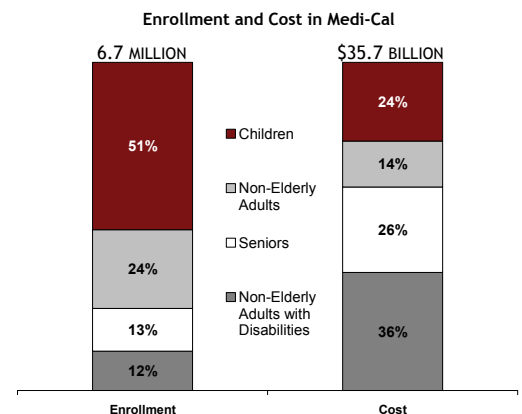
Cost Savings

On average, people with disabilities have higher health care costs than nondisabled individuals—beneficiaries with disabilities account for 44 percent of Medi-Cal program expenditures while they only account for 13 percent of the programs enrollment. There is a significant concentration of spending in Medi-Cal—10 percent of the beneficiaries account for 81 percent of the cost. While SPD beneficiaries account for 25 percent of enrollees, they drive 62 percent of expenditures. Targeted interventions for SPDs could improve their care and reduce costs. Medi-Cal spent an average of \$2,200 for each child and \$2,649 for each non-disabled parent enrolled in 2009. By comparison, seniors cost an average of \$9,414 and children and adults with disabilities cost \$15,323.⁶

Additionally, fee-for-service beneficiaries are much more likely to be hospitalized for a preventable reason—a condition like asthma or diabetes which can typically be managed with a visit to a primary care doctor which adds to increased costs in the system.⁷ Managed care, which accounts for 18 percent of Medi-Cal spending (compared to FFS, which accounts for 82 percent) had demonstrated its ability to stretch the healthcare dollar to provide quality care and improve health outcomes.⁸ One estimate found that an expansion of mandatory managed care for working-aged Medi-Cal beneficiaries with disabilities could result in estimated annual savings of \$214 million to \$360 million, of which half (\$107 million to \$180 million) would be savings for the state's General Fund.⁹



Source: *California Health Care Almanac: Medi-Cal Facts and Figures*. California HealthCare Foundation. September 2009.



Quality

Quality of Care is Assessed

The health care provided to managed care enrollees is analyzed and measured to help inform patients, policymakers and others about the quality of care. Nationally and in California, tools such as the Health Effectiveness Data and Information Set (HEDIS) and Consumer Assessment of Healthcare Providers and Systems (CAHPS) are used to evaluate the quality of care. HEDIS measures preventive care and care for chronic conditions, while CAHPS measures consumer satisfaction with health services. All Medi-Cal managed care health plans in California report quality data so that consumers can see how their health plans fare. Both commercial and public plans perform well on HEDIS measures.¹⁰ Fee-for-Service enrollees have no such assessments of their providers, offering no insights into the quality of care received by a patient.¹¹

Quality Care is Provided

One study examined Medicare beneficiaries in managed care (Medicare Advantage) and fee-for-service—a population that is comparable to SPDs in that they are seniors, who, while of a different socio-economic status, typically, have a higher prevalence of chronic conditions. The report found that Medicare Advantage beneficiaries in California spent 30 percent fewer days in the hospitals than patients with FFS Medicare, and in Nevada, seniors in Medicare Advantage plans spent 23 percent fewer days in the hospital. Further, the managed care enrollees were re-admitted to the hospital 15 percent less often in California and 33 percent less often in Nevada compared to FFS Medicare.¹²

Preventable Hospitalizations

Preventable hospitalizations are lower for Medi-Cal beneficiaries in managed care than in fee-for-service. One study found that the rate of average annual preventable hospitalizations was about one-quarter lower with managed care than with fee-for-service. The requirement that beneficiaries in managed care have a usual source of care is associated with improvements in patients’ access to care and their overall health.¹³

More on Managed Care

Medi-Cal managed care programs are available in 25 California counties. All seniors and persons with disabilities are required to enroll in 11 counties and enrollment is voluntary in the remaining 14 counties. Nearly half a million SPDs in Medi-Cal are currently enrolled in a health plan.⁷ In counties where enrollment is not mandatory, approximately 192,000 SPDs have voluntarily chosen to enroll in managed care.⁸

	Managed Care	Fee-For-Service
Availability	25 counties	All 58 counties
Market Share	50% of all beneficiaries	50% of all beneficiaries
Population	Mandatory Enrollment: Children Pregnant women Non-disabled parents Voluntary enrollment: Most elderly and disabled	Most elderly and disabled In counties without managed care: Children Pregnant women Non-disabled parents

Source: *California Health Care Almanac: Medi-Cal Facts and Figures*. California HealthCare Foundation. September 2009.

SOURCES:

- 1 Knox-Keene Health Care Service Plan Act of 1975. § 1366.35.
- 2 “California Health Care Almanac: Medi-Cal Facts and Figures.” California HealthCare Foundation. September 2009.
- 3 Title 28, California Code of Regulations, Division 1. The Department of Managed Health Care, Chapter 2. Health Care Service Plans, Article 7. Standards §1300.67.2.2
- 4 Title 28, California Code of Regulations, Division 1. The Department of Managed Health Care, Chapter 2. Health Care Service Plans, Article 7. Standards §1300.67.04
- 5 DHCS Medi-Cal Contract Boilerplate. Accessed on 27 February 2010.
- 6 “California Health Care Almanac: Medi-Cal Facts and Figures.” California HealthCare Foundation. September 2009.
- 7 Ibid.
- 8 Ibid.
- 9 Health Systems Research, Inc. “Adults with Disabilities in Managed Care.” Medi-Cal Policy Institute. June 2003.
- 10 California Office of the Patient Advocate: Medi-Cal Health Plans. Accessed 22 March 2010. www.opa.ca.gov/report_card/medi-calrating.aspx
- 11 DHCS Medi-Cal Contract Boilerplate. Accessed on 27 February 2010.
- 12 “Preventing Unnecessary Hospitalizations in Medi-Cal: Comparing Fee-for-Service with Managed Care.” California HealthCare Foundation. February 2004.
- 13 “Reductions in Hospital Days, Re-Admissions, and Potentially Avoidable Admissions Among Medicare Advantage Enrollees in California and Nevada, 2006.” America’s Health Insurance Plans. Sept 2009.

See companion fact sheet “At A Glance: Seniors & Persons with Disabilities Benefit from Medi-Cal Managed Care” at www.calhealthplans.org.

Please contact Maral Farsi at mfarsi@calhealthplans.org or 916.558.1545 with any questions about this fact sheet.