



MANAGED CARE IN PUBLIC PROGRAMS

The state of California relies on managed care plans to provide coverage to millions of Californians participating in public health care coverage programs, including Medi-Cal. Health plans partner with the state to deliver cost-effective, quality care to low-income residents.



Medi-Cal

As the nation's largest Medicaid program, Medi-Cal is a source of health insurance coverage for more than [8.5 million](#) Californians, or one in five residents. The program has traditionally served low-income children and their parents as well as low-income **seniors and persons with disabilities (SPDs)**.

Through the Affordable Care Act (ACA), Medi-Cal expanded to include more low-income Californians, including adults without children and caregivers. The approximately 630,000 Californians enrolled in the pre-ACA bridge program called the Low-Income Health Program seamlessly transitioned into Medi-Cal Managed Care. The Department of Health Care Services (DHCS), which oversees Medi-Cal, expects Medi-Cal enrollment will reach 10 million by the end of 2014.

Medi-Cal Delivery System Options

> FEE-FOR-SERVICE

In fee-for-service, no provider coordinates a patient's overall care. Beneficiaries must navigate a list of providers to find physicians and specialists willing to accept Medi-Cal.

Medi-Cal fee-for-service pays providers for each service, which results in a financial structure based on quantity of care rather than quality. Beyond reducing provider reimbursements, the state has few mechanisms for controlling costs in fee-for-service. Fee-for-service currently operates to some extent in all 58 counties.

> MANAGED CARE

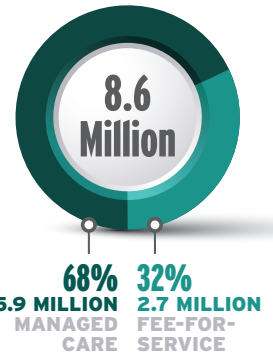
In Medi-Cal Managed Care, beneficiaries' care is coordinated through a primary care physician and a network of hospitals and specialists. Medi-Cal pays the managed care plan a monthly fee for each enrolled member. Because of the fixed payment rates, the state can better control costs and maintain budget predictability in managed care.

Unlike fee-for-service, Medi-Cal Managed Care offers:

- care coordination
- guaranteed access to providers
- guaranteed timely access for appointments and services
- language assistance for non-English speakers
- 24-hour member services information and nurse/advice lines
- coverage for emergencies/urgent care when Medi-Cal beneficiaries are temporarily out of state

Prompted by escalating costs and poor access to primary care physicians in the fee-for-service system, California began enrolling large numbers of Medi-Cal beneficiaries in managed care in the 1990s. Since that time, the percentage of Medi-Cal beneficiaries enrolled in managed care has more than doubled, to 68%.

Medi-Cal Enrollment



Source: California HealthCare Foundation, November 2013

> TARGETED LOW-INCOME CHILDREN'S PROGRAM



Most beneficiaries - with the exception of those enrolled in the Optional Targeted Low-Income Children's Program (which replaced the Healthy Families Program) - are not required to pay monthly premiums, copays for doctor visits or prescriptions, or annual deductibles.

Income eligibility for Medi-Cal for children 0-19: Monthly premium required at income above 150% FPL:

250% | FPL (138% FPL for adults) | **\$13 | Child** **MAX \$39/ FAMILY**

CalDuals

COORDINATED CARE INITIATIVE

California is in the process of implementing a Coordinated Care Initiative (CCI) to better serve low-income SPDs and those eligible for both Medi-Cal and Medicare ("dual eligibles") through managed care. The CCI includes Cal MediConnect, a demonstration project that integrates care for dual eligibles through a single, streamlined benefit package and health care delivery model. Cal MediConnect will initially operate in eight pilot counties with 11 participating health plans. Enrollment is set to begin no sooner than April 2014.

The CCI will also integrate Medi-Cal's Long Term Supports and Services (such as home- and community-based services, in-home supports and services, and nursing home care) into Medi-Cal Managed Care. Beneficiaries aged 21 and older, including dual eligibles and SPDs, will be required to enroll in a Medi-Cal Managed Care health plan to receive all Medi-Cal benefits, including LTSS and Medicare wrap-around benefits.

For more information on the CCI and Cal MediConnect, see [CAHP's fact sheet](#) or visit [calduals.org](#).

For more information, please go to www.calhealthplans.org





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Medi-Cal Managed Care Models

Both traditional fee-for-service and Medi-Cal Managed Care are available in all 58 counties in California. There are four “models” of managed care in California – county organized health systems (COHS), two-plan, regional and geographic managed care (GMC). The two-plan model consistently accounts for about two-thirds of Medi-Cal enrollees. Most Medi-Cal beneficiaries are required to enroll in a managed care health plan in their county.

The Value of Managed Care

Increasingly, policymakers rely on managed care in public programs because, compared to fee-for-service, Medi-Cal Managed Care:

- Improves access
- Delivers better care
- Provides significant cost-savings

In a 2012 [survey](#), Medi-Cal enrollees rated managed care equal to or higher than fee-for-service in every category.

Little Difficulty Accessing Providers	Medi-Cal Managed Care	Medi-Cal Fee-for-Service
Primary Care Physicians	81%	73%
Specialists	45%	36%
Therapists/Mental Health Providers	32%	32%

Source: California HealthCare Foundation

Since transitioning to managed care, **SPDs** give their health plan an average of four out of five stars.



HEALTH PLAN CHOICES BY COUNTY

COHS		Two-Plan		Regional		GMC	
Del Norte Humboldt Lake Lassen Marin Mendocino Modoc Napa Shasta Siskiyou Solano Sonoma Trinity Yolo	Partnership Health Plan of CA	Alameda	Alameda Alliance for Health Anthem Blue Cross	Alpine Butte Calaveras Colusa Glenn Inyo Mariposa Mono Nevada Plumas Sierra Sutter Tehama Tuolumne Yuba	Anthem Blue Cross CA Health & Wellness	Sacramento	Anthem Blue Cross
		Contra Costa	Contra Costa Health Plan Anthem Blue Cross				Health Net
		Fresno Kings Madera	CalViva Health Anthem Blue Cross				Kaiser Foundation Molina Healthcare
		Kern	Kern Family Health Heath Net				Care 1st Health Plan
Merced Monterey Santa Cruz	Central California Alliance for Health	Los Angeles	LA Care Health Net	Amador El Dorado Placer	Anthem Blue Cross CA Health & Wellness Kaiser	San Diego	Community Health Group
		Riverside San Bernardino	Inland Empire Health Plan Molina Healthcare				Health Net
Santa Barbara San Luis Obispo	CenCal	San Francisco	San Francisco Health Plan Anthem Blue Cross			Other Managed Care Options for High-Needs Medi-Cal Enrollees	SCAN Health Plan
Orange	CalOptima	San Joaquin Stanislaus	Health Plan of San Joaquin Health Net	Other Rural Counties			
San Mateo	Health Plan of San Mateo	Santa Clara	Santa Clara Family Health Anthem Blue Cross	Imperial	Molina Healthcare CA Health & Wellness	Programs of All-Inclusive Care for the Elderly (PACE): AltaMed Centers for Elders Independence On Lok Lifeways St. Paul's PACE Sutter Senior Care	
Ventura	Gold Coast Health Plan	Tulare	Anthem Blue Cross Health Net	San Benito	Anthem Blue Cross		

Source: Department of Health Care Services