



CARDEA  HEALTH

# CALAIM IMPLEMENTATION *PROMISE AND PITFALLS*

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# Background

- Developed nations across the globe, including the United States, spend a roughly equivalent proportion of GDP on medical and social programs combined<sup>1</sup>
- Countries that have a higher ratio of social services to medical services have better population health outcomes<sup>1</sup>
- High US spending on healthcare has yielded poor population health outcomes and an inadequate social safety net
- *CalAIM is a progressive effort to improve population health by building more social safety net services into the healthcare delivery system*



<sup>1</sup>American health care paradox—high spending on health care and poor health. [E.H. Bradley](#), [H. Sipsma](#), [L.A. Taylor](#)

# Opportunities and Pitfalls



- CalAIM presents an opportunity to rebalance investment in social and medical care, patterned on systems that yield significantly better health and social outcomes
- It is potentially a pathway to more rational and effective investment in social and medical services
- CalAIM also represents an opportunity to burden the delivery of non-medical services with all of the known inefficiencies and shortcomings of the US healthcare delivery system
  - *High administrative overhead costs due to burdensome and complex authorization and billing processes*
  - *System bias towards excluding the most disenfranchised populations from service access due to the complexity of accessing services*

# Take Home Messages

## *DO*

- Adopt best practice standards for the new services, with a focus on non-medical exemplars such as...
  - ECM should be patterned on gold-standard practice for case management, not organized around existing medical case management models which have been unsuccessful in serving medically and socially unstable populations
  - Build a nutritional assistance program patterned on the most successful iteration of SNAP-type programs rather than treating meals like meds. If someone suffers from chronic illness that necessitates long-term support, authorize the service for years at a time (not weeks or months)
- Take the long view.
  - In most cases, managed Medi-Cal beneficiaries will be cared for by the safety net system for generations.
  - **Make the investment now; it will pay dividends in the long run**
  - **Think about impact over decades**

# Take Home Messages

## ***DO NOT***

- Build known flaws of the healthcare delivery system into expanded service areas
  - *Broken rate structures*
  - *Burdensome authorization and claims processes*
  - *Complex service access pathways*
  - *Cost-benefit analysis around a fiscal year cycle*



# QUESTIONS COMMENTS