

Managed Care in California

This profile reflects state managed care program information as of August 2014, and only includes information on active federal operating authorities, and as such, the program start date may not reflect the earliest date that a program enrolled beneficiaries and provided services. Some states report populations and services available to program participants under the federal authority (e.g. Section 1115 waiver), so these features cannot be easily distinguished for each program.

Overview of Current Managed Care Programs

In July 2011, approximately 60 percent of those covered by Medicaid (known as **Medi-Cal** in California) were enrolled in managed care organizations (MCOs). MCOs cover most *acute*, primary, and specialty care, and some long-term care services. Nonetheless, managed care spending accounts for about one quarter of total Medi-Cal service spending, because some of the most costly services are not provided by (or carved out from) managed care plans, including institutional long term care, mental health and dental services, and services provided to children with serious medical conditions. Most of those enrolled in MCOs in 2011 were low-income children, pregnant women, and parents, who are required to enroll in managed care plans.¹ Beginning June 2011, the state required seniors and people with disabilities not covered by Medicare to switch from fee-for-service to MCOs (in counties with managed care plans).

The state contracted with managed care plans as early as 1972 and operated both Prepaid Health Plans and Primary Care Case Management (PCCM) models. Six different managed care models operating in all of the state's 58 counties: (1) County Organized Health Systems, (2) a *Two-Plan* model, (3) Geographic Managed Care, (4) Regional, (5) Imperial, and (6) San Benito. **County Organized Health Systems (COHS)**, first of the currently operating managed care programs, began in 1983; currently six county plans provide services to Medi-Cal beneficiaries in 22 counties. (In 1993, the state expanded managed care by introducing the **Two-Plan model**, which offers beneficiaries a choice of a locally-operated "local initiative" plan or a commercial plan. The Two-Plan model now operates in 14 counties. The State also operates a **Geographic Managed Care model**, which offers beneficiaries a choice of commercial plans in two counties. In 2010, the state consolidated the COHS, Two-Plan, and Geographic Managed Care programs under one Section 1115 waiver program known as "Bridge to Reform" (formerly, mandatory enrollment in these programs was authorized by a 1915(b) waiver). The Regional, Imperial, and San Benito models were created during the expansion of managed care into the remaining counties in late 2013. Originally, the Bridge to Reform program also authorized a county-based coverage program, called **Low-Income Health Program (LIHP)**, which expanded Medicaid eligibility to low-income adults age 19 to 64 in counties that choose to participate. With the implementation of the Affordable Care Act, the LIHP populations became Medi-Cal eligible. The state also runs a very small primary care case management program with fewer than 1,000 enrollees (not shown on table below).

Medi-Cal beneficiaries with severe mental illness obtain specialty behavioral health services, such as inpatient hospital services, outpatient mental health treatment, crisis *intervention*, and case management, through a separate county-based program operated by mental health departments and known as the Medi-Cal Specialty Mental Health Services (SMHS). People needing physical and behavioral health services in most counties must obtain each service type through a separate plan; however, two counties - San Mateo and Solano - integrate mental and physical health in a single managed care organization. Medi-Cal beneficiaries with mild to moderate mental illness can receive more limited services from primary care providers through their Medi-Cal managed care plan or fee-for-service.

The number of individuals in Medicaid managed care will continue to increase as dual eligible beneficiaries in eight counties will be offered the opportunity to enroll in managed care plans in 2014 under a federally-authorized Financial Alignment Demonstration program, called **Cal MediConnect**, which will cover a comprehensive set of services including acute, primary and specialty care, as well as long-term services and supports. The state is also making managed care mandatory for non-dual SPDs residing in the Regional and Imperial service areas to be consistent with the rest of the state.

Participating Plans, Plan Selection, and Rate Setting

¹ California HealthCare Foundation, "Medi-Cal Facts and Figures: A Program Transforms", May 2013. <http://www.chcf.org/publications/2013/05/medical-facts-figures>

Currently, the state contracts with about two dozen MCOs, many of which operate in more than county. As of April 2013, there were 21 MCOs under contract to the state.² The plans are a mix of **government-sponsored health plans**, **nonprofit entities** (most of which serve Medi-Cal enrollees only), and **for-profit national and local plans**. The state pays MCOs a fixed monthly capitation rate for each member. Rates are set through actuarial calculations, with adjustments for beneficiaries' age, eligibility category, health status, and county of residence. Plans negotiate payment rates with most contracted network providers.

Quality and Performance Incentives

The state requires Medicaid managed care plans to submit audited HEDIS and CAHPS data. The state annually publishes audited HEDIS and quality performance measures for each health plan relative to the state average and national Medicaid and commercial plan averages for each measure. Plan performance on quality measures is taken into account in the state's formula for auto-assignment into health plans for enrollees who do not voluntarily choose one on their own ("defaults" are enrolled in plans that earn higher scores). The state creates a single composite score for 15 HEDIS indicators, which may be used for other quality-withhold purposes in the future. Starting in reporting year 2013, health plans serving seniors and people with disabilities (SPD) must report on five HEDIS performance measures, which are stratified by SPD and non-SPD populations. To standardize MCO quality reporting, the state is developing an online performance measurement dashboard, which was planned for launch in June 2013.

² CA Department of Healthcare Services, Medi-Cal Managed Care Program, Quality Strategy Report, Annual Update, June 2013. Available at http://www.dhcs.ca.gov/dataandstats/reports/Documents/MMCD_Qual_Rpts/Studies_Quality_Strategy/QualityStrategyRpt_2013.pdf.

Table: Managed Care Program Features, as of October 2014

Program Name	Prepaid Health Plan Program	Medi-Cal Specialty mental Health Services	AIDS Healthcare Foundation	Family Mosaic	Program for the All-Inclusive Care for the Elderly (PACE)	Senior Care Action Network	Bridge to Reform Demo: Sacramento Dental PAHP	Bridge to Reform Demo: COHS Model	Bridge to Reform Demo: Geographic MC Model	Bridge to Reform Demo: Two-Plan Model	
Program Type	Dental PAHP	Mental Health Plans	MCO	Emotional and Mental Health Support PIHP	PACE	MCO	Dental PAHP	HIO	MCO	MCO	
Program Start Date	January 1972	March 1995	April 1995	January 1996	November 2002	January 2008	November 2010				
Statutory Authorities	1915(a)	1915(b)	1915(a)	1915(a)	PACE	1915(a)	1115(a)				
Geographic Reach of Program	County	Statewide	Select counties	Select cities and counties		Select zip codes	County	Select counties	Select counties	Select counties	
Populations Enrolled (<i>Exceptions may apply for certain individuals in each group</i>)											
<i>Aged</i>	X	X	X	X	X		X	X	X		
<i>Disabled Children & Adults</i>	X	X	X	X	X (age 55+)		X	X	X	X	
<i>Children</i>	X		X	X			X	X	X	X	
<i>Low-Income Adults</i>	X	X	X	X		X	X	X	X		
<i>Medicare-Medicaid Eligibles ("duals")</i>	X	X	X (excludes partial duals)	X (excludes partial duals)	X (age 55+)		X	X (excludes partial duals)	X (excludes QMB)		
<i>Foster Care Children</i>	X	X	X	X			X	X	X	X	
<i>American Indians/ Alaska Natives</i>				X				X			
Mandatory or Voluntary enrollment?	Voluntary	Mandatory	Voluntary	Voluntary	Voluntary	Voluntary	Varies	Mandatory	Varies	Varies	

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<i>Inpatient hospital</i>					X	X		X	X	X	
<i>Primary Care and Outpatient Services</i>		X	X		X	X	X	X	X	X	
<i>Pharmacy</i>			X	X	X	X		X	X	X	
<i>Institutional LTC</i>			X		X	X		X	X	X	
<i>Personal care/HCBS</i>			X		X	X		X	X	X	
<i>Inpatient Behavioral Health Services</i>		X		X	X	X					
<i>Outpatient Behavioral Health Services</i>			X	X	X	X			X	X	
<i>Dental</i>	X				X	X	X				
<i>Transportation</i>			X		X	X		X	X	X	
Participating Plans or Organizations	^a See notes for plans or organizations participating in each program										
Uses HEDIS Measures or Similar			X		NA	X		X	X	X	
Uses CAHPS Measures or Similar			X		NA	X		X	X	X	
State requires MCOs to submit HEDIS or CAHPS data to NCQA	NA	NA	X	NA	NA	X	NA	NA	X	X	

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State Requires MCO Accreditation	NA	NA		NA	NA		NA	NA			
External Quality Review Organization	Health Services Advisory Group										
State Publicly Releases Quality Reports	Yes										

Sources: Centers for Medicare and Medicaid Services (CMS), National Summary of State Medicaid Managed Care Programs as of July 1, 2011.
Kaiser Commission on Medicaid and the Uninsured. Profile of Medicaid Managed Care Programs in 2010. September 2011.
National Committee on Quality Assurance. NCQA Medicaid Managed Care Toolkit 2012 Health Plan Accreditation Standards. State Use of Accreditation as of February 2012.

Notes: Managed Care Organization (MCO); Health Insurance Organizations (HIO); Prepaid Inpatient Health Plans (PIHP); Prepaid Ambulatory Health Plan (PAHP); Mental Health/Substance Use Disorder (MH/SUD); Healthcare Effectiveness Data and Information Set (HEDIS); Consumer Assessment of Healthcare Providers and Systems (CAHPS). Primary Care and Outpatient Services include physician services, hospice, laboratory, imaging, FQHC, and other specialty services delivered in outpatient offices and clinics. Institutional Long Term Care (LTC) includes Skilled Nursing Facilities (SNF) and/or Intermediate Care Facilities for Individuals with Intellectual Disabilities (ICF/IDD). External Quality Review Organization activities are only required for MCOs, PIHPs, PAHPs, and other applicable entities with comprehensive risk contracts.

*Participating plans and organizations are as follows:

- Prepaid Health Plan Program: Access Dental Plan; Care 1st Health Plan; Health Net of CA; Safeguard Dental; Community Dental Services; Liberty Dental Plan; Western Dental Services
- Medi-Cal Specialty mental Health Services: County mental health programs
- AIDs Healthcare Foundation: Positive Health-care/AHF Health-care Centers
- Family Mosaic: San Francisco City & CO (Family Mosaic)
- PACE: AltaMed Health Services Corporatio (Altamed Senior BuenaCare); Sutter health Sacramento Sierra Region (Sutter Senior Care) Coalition Center of Elders Independence (Center for Elders Independence); Community Eldercare of San Diego (St. Pauls PACE); On Lok Senior Health Services (On Lok Lifeways); CalOptima PACE, Central Valley PACE; Humboldt Senior Resource Center; InnovAge Greater California PACE; Los Angeles Jewish Home.
- Senior Care Action Network: Senior Care Action Network (SCAN)
- Bridge to Reform Demo: Sacramento Dental PAHP: Access to Dental Plan; Health Net of CA; Western Dental Services; Community Dental Services; Liberty Dental Plan of CA
- Bridge to Reform Demo: COHS Model: Caloptima; Central California Alliance for Health; Gold Coast Health Plan; Health Plan of San Mateo; Partnership Health Plan; Santa Barbara San luis Obispo Regional Health Authority
- Bridge to Reform Demo: Geographic MC Model: Anthem Blue Cross Partnership Plan; Care 1st Health Plan; Community Health Group Partnership Plan; Health Net Community Solutions, Inc. ; Kaiser Permanente; Molina
- Bridge to Reform Demo: Two-Plan Model: Alameda Alliance for Health; CaViva Health; Health Net Community Solutions, Inc.; Inland Empire Health Plan; LA Care Health Plan; San Francisco Health Plan; Anthem Blue Cross Partnership Plan; Contra Costa Health Plan; Health Plan of San Joaquin; Kern Family Health Care; Molina; Santa Clara Family Health Plan

- Bridge to Reform Demo: LIHP Model: Access Coverage Enrollment Program; Contra Costa Health Plan; Health Way LA; Healthy PAC; Kern Medical Center Health Plan; Medical Services Initiative; San Diego LIHP; San Mateo Access & Care; SF Path; Valley Care