

# Illinois Health Reform 2013

## Care Coordination, Managed Care and Long-Term Services and Supports

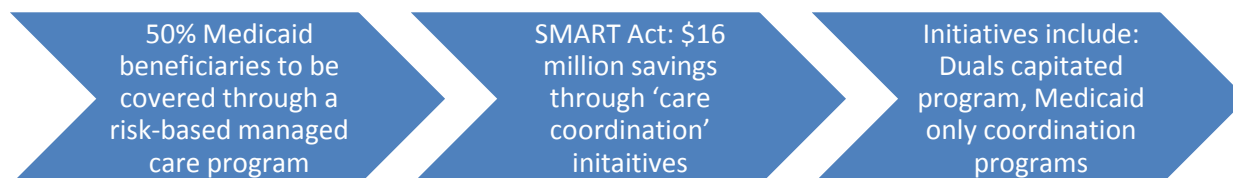
### Overview

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#### Federal Initiatives



#### Illinois' State Initiatives



#### Federal Initiatives: Affordable Care Act (ACA)

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- ▶ **ACA section 2602 created the Federal Coordinated Health Care Office ("Medicare-Medicaid Coordination Office")<sup>1</sup>**
  - ▶ Improving quality and access to care for Medicare-Medicaid enrollees; simplifying processes; and eliminating regulatory conflicts and cost-shifting
    - ▶ Includes an opportunity to participate in a Capitated Model Demonstration project (**Illinois is negotiating a Memorandum of Understanding with CMS which will outline Illinois Duals Demonstration capitated project**). Includes **long-term services and supports (LTSS)**
- ▶ **ACA, section 2703, state Medicaid plan amendment: Medicaid health homes for individuals with chronic conditions<sup>2</sup>**
  - ▶ Increased Federal matching of 90% for program for 2 years; returns to Illinois' 50% Federal match rate after 2 years
  - ▶ Coordination of primary, acute, behavioral health, and **long-term services and supports**
  - ▶ Illinois has submitted a Medicaid plan amendment to CMS and plans to align this initiative with its various state-level care coordination initiatives; this program will be implemented when all other care coordination projects have begun

#### Illinois' State Initiatives

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- ▶ **Public Act 96-1501<sup>3</sup>, January 2011:** 50% Medicaid recipients → "Risk-based Care Coordination" by 2015
- ▶ **"Save Medicaid Access and Resources Together Act" (SMART Act)<sup>4</sup>, May 2012**
  - ▶ Item #51 Category: Care Coordination
    - ▶ Integrating acute, primary, behavioral and **long-term services and supports**
    - ▶ Focus on most complex Medicaid beneficiaries
    - ▶ Estimated gross savings FY2013: \$16.1 million
  - ▶ Care coordination initiatives launched in FY2012-2013. (*See details on other side.*)
    - ▶ Integrated Care Program – Medicaid Only
    - ▶ Innovations Project – Medicaid Only
    - ▶ Duals Capitation Demonstration – Medicaid + Medicare, through CMS' Medicare-Medicaid Coordination Office

**Illinois Health Reform 2013**  
**Care Coordination, Managed Care and Long-Term Services and Supports**

**Illinois' Care Coordination Initiatives**

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**Integrated Care Project – Medicaid only<sup>5</sup> [currently in operation; LTSS to be phased in February 2013]**

- ▶ **Mandatory** program, Illinois' Department of Healthcare and Family Services (HFS) has contracted with two Health Maintenance Organizations, or health plans.
- ▶ **Fully capitated, full-risk financing model:** health plans receive prospective payment per member, per month for all services
  - ▶ Primary, acute, behavioral health, and **long-term services and supports**
- ▶ **Geographic Service Area:** Suburban Cook (zip codes that **do not** begin with "606"), DuPage, Kane, Kankakee, Lake and Will Counties.
- ▶ **33,274 Medicaid beneficiaries** enrolled (as of September 2011)

**Innovations Project<sup>6</sup> – Medicaid only [targeted start date April 2013]**

- ▶ **Mandatory** program, Illinois' Department of Healthcare and Family Services (HFS) has announced the 1<sup>st</sup> Round of Awardees<sup>7</sup>: 5 Care Coordination Entities (CCEs) and 1 Managed Care Community Network (MCCN, or health plan)
  - ▶ Primary, acute, behavioral health, and **long-term services and supports**
- ▶ **CCEs use a shared-risk model:** a prospective per-member per-month for care coordination only
- ▶ **MCCNs use a fully capitated, full-risk financing model:** health plans receive prospective payment per member, per month for all services
- ▶ **Geographic Service Area:** Northeastern Illinois, and Central Illinois.
- ▶ **3,000 Medicaid beneficiaries** estimated to be enrolled (between 500-1,000 members for each awardee); the MCCN may enroll a larger number of members as a result of being a fully-capitated, full-risk model.

**Duals Project – Medicare/Medicaid<sup>8</sup> [targeted start date April 2013]**

- ▶ Illinois has applied for a demonstration project that is based off of a 3-way contract between HFS, CMS, and a health plan (full-risk bearing entity). Illinois recently announced the 8 health plans<sup>9</sup> it will contract with after CMS approval of the propose demonstration project through a signed Memorandum of Understanding.
- ▶ **Fully capitated, full-risk financing model:** health plans receive prospective payment per member, per month for all services
  - ▶ Blended funds: Medicare + Medicaid
  - ▶ Primary, acute, behavioral health, and **long-term services and supports**
- ▶ **Geographic Service Area:** Greater Chicago: Cook, Lake, Kane, DuPage, Will, Kankakee; and Central Illinois: Knox, Peoria, Tazewell, McLean, Logan, DeWitt, Sangamon, Macon, Christian, Piatt, Champaign, Vermilion
- ▶ **Passive enrollment.** For Medicare: voluntary disenrollment. **Mandatory Medicaid** lock-in; state seeking Medicaid 1915(b) waiver to mandate managed care for Medicaid beneficiaries
- ▶ **136,000 Medicaid beneficiaries** who also have Medicare insurance are estimated to be served through this initiative

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<sup>1</sup> [http://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/Downloads/Financial\\_Models\\_Supporting\\_Integrated\\_Care\\_SMD.pdf](http://www.cms.gov/Medicare-Medicaid-Coordination/Medicare-and-Medicaid-Coordination/Medicare-Medicaid-Coordination-Office/Downloads/Financial_Models_Supporting_Integrated_Care_SMD.pdf)

<sup>2</sup> <http://downloads.cms.gov/cmsgov/archived-downloads/SMDL/downloads/SMD10024.pdf>

<sup>3</sup> <http://www.ilga.gov/legislation/publicacts/96/096-1501.htm>

<sup>4</sup> <http://www2.illinois.gov/hfs/SiteCollectionDocuments/SB%202840%20MedicaidSpendingReductionsrev.pdf>

<sup>5</sup> <http://www2.illinois.gov/hfs/PublicInvolvement/IntegratedCareProgram/Pages/default.aspx>

<sup>6</sup> <http://www2.illinois.gov/hfs/PublicInvolvement/cc/Pages/default.aspx>

<sup>7</sup> <http://www2.illinois.gov/hfs/PublicInvolvement/cc/Pages/CEMCCNInitialAwardAnnouncement.aspx>

<sup>8</sup> [http://www.chcs.org/usr\\_doc/Illinois\\_Proposal.pdf](http://www.chcs.org/usr_doc/Illinois_Proposal.pdf)

<sup>9</sup> <http://www3.illinois.gov/PressReleases/ShowPressRelease.cfm?SubjectID=2&RecNum=10692>