SOONERCARE MANAGED CARE
HISTORY AND PERFORMANCE
1115 Waiver Evaluation

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Presentation to

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Introduction and Overview

- Presentation based on comprehensive evaluation of Oklahoma’s SoonerCare Medicaid managed care 1115 waiver program
- Evaluation covers
  - History of SoonerCare 1115 waiver from 1992-2008
  - Potential impact of waiver program on health care access, quality, and cost
  - OHCA’s role and performance
  - Lessons and implications for other states
MPR’s Approach to the Evaluation

- Develop history of SoonerCare waiver program through site visits, interviews, and document review
  - Two site visits in May and June 2008
  - Nearly 60 interviews with OHCA (Board, leadership, staff and contractors), providers, MCOs, beneficiary advocates, legislators, and other state agencies

- Assess program performance based on Oklahoma and national data

- Compare SoonerCare to other state Medicaid programs
SoonerCare Managed Care History

  - Goals were to contain growing Medicaid costs and improve access to physicians, especially in rural areas
    - Unlike other states with new 1115 waivers, OK did not seek to expand coverage at this point
  - Fully capitated MCOs in three urban areas (SoonerCare Plus)
  - Partially capitated primary care case management (PCCM) program in rural areas (SoonerCare Choice)
  - Goal of expanding fully capitated managed care throughout the state proved not to be feasible
  - Implementation of SoonerCare Plus and Choice in 1995-96 went relatively smoothly, compared to other states (Urban Institute-MPR 1997 evaluation report)
SoonerCare History (Cont.)

  - Savings from managed care permitted Medicaid eligibility expansion in 1997
    - Income limit for pregnant women and children raised from 150% to 185% of the federal poverty level (FPL)
  - Enrollment of aged, blind, and disabled (ABD) population in 1999 put financial pressures on MCOs
  - Economic downturn in 2002-2003 put major budget pressures on OK and other states
SoonerCare History (Cont.)

- **End of SoonerCare Plus (2003)**
  - Several MCOs dropped out between 1997 and 2003, leaving only two in each urban area in 2003 (three MCOs total)
    - Minimum number generally required by federal rules
  - Remaining MCOs sought rate increases of 18% for 2004
    - OHCA had funding for only 13.6%
    - Two MCOs accepted 13.6%, but one MCO operating in all three areas held out for 18%
  - New OHCA report on SoonerCare Choice performance and quality showed positive results
  - OHCA concluded it could operate Choice program in urban areas with one-quarter of resources needed for Plus program
  - OHCA Board voted in November to end Plus program
SoonerCare History (Cont.)

- Enhancing the Choice PCCM model (2004-2008)
  - SoonerCare Plus enrollees and providers successfully transitioned to Choice by April 2004
  - OHCA hired 32 nurse care managers and 2 social services coordinators to enhance care management in SoonerCare Choice
    - Many hired from SoonerCare Plus MCOs
  - Health Management Program for high-cost enrollees established in 2008
  - “Medical home” model under development in 2008 to improve physician incentives to provide care
SoonerCare History (Cont.)

- Expanding coverage (2004-2008)
  - “Insure Oklahoma” (O-EPIC) program
    - Authorized by legislature in 2004
    - Expanded coverage for adults up to 200% FPL
    - Employer-sponsored small business plan started in 2005
      - 10,696 enrollees in December 2008
    - Individual plan started in early 2007
      - 5,211 enrollees in December 2008

- All Kids Act
  - Approved by legislature in early 2007
  - Authorized coverage of children in families up to 300% FPL
  - Federal government (CMS) announced in August 2007 it would not approve income levels that high
  - OHCA submitted waiver request for 250% FPL
    - Still pending
Major Findings

- Access
- Quality
- Costs
Major Findings on Access

- Health insurance coverage
  - SoonerCare has improved coverage for children
    - Enrollment of eligible children increased 36% from 2000 to 2006
    - Uninsured rate decreased 55% from 1996 to 2007
  - Coverage of adults has not improved to date
    - Enrollment of eligible parents declined 29% from 2000 to 2006
    - Uninsured rate unchanged 1996 to 2007
  - Federal approval needed for Insure Oklahoma and All Kids Act expansions
Major Findings on Access (Cont.)

Estimated Medicaid Participation Rates Among Eligible Groups in Oklahoma

Source: MPR analysis of OHCA enrollment data and U.S. Census data.
### Major Findings on Access (Cont.)

**Uninsured Rate for Individuals in Families Earning Less than 200% FPL: Oklahoma and U.S. 1995-2007**

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<tr>
<td></td>
<td>Oklahoma</td>
<td>U.S.</td>
<td>Oklahoma</td>
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<tr>
<td>Children (&lt;19)</td>
<td>29%</td>
<td>23%</td>
<td>21%</td>
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<tr>
<td>Adults (19-64)</td>
<td>35%</td>
<td>37%</td>
<td>38%</td>
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<tr>
<td>Total Under Age 65</td>
<td>33%</td>
<td>31%</td>
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Major Findings on Access (Cont.)

- Physician participation in SoonerCare Choice
  - 37% of primary care physicians in Oklahoma were SoonerCare Choice PCPs in 2006
    - 90% of all MDs (specialists and PCPs) had contracts with SoonerCare Choice
  - Annual visits per enrollee rose about 90% from 1997 to 2007
    - Most PCPs saw patients at least once in 2007
  - Total number of SoonerCare Choice PCP contracts rose from 414 in 1997 to 595 in 2007
    - More contracts with provider groups since 2004
  - Contracts turnover rate averaged 16% from 1997-2007
    - Rate only about 9% after excluding physicians who switch between groups or to University faculty positions.
Major Findings on Access (Cont.)

Percentage of Oklahoma MDs Serving as SoonerCare PCPs, 2006

Source: MPR analysis of OHCA provider data and Area Resource File.
* Estimate greater than 100%, likely due to differences in the classification of provider type.
Major Findings on Access (Cont.)

Assignment of SoonerCare Choice Members by PCP Type, 2004 and 2007

Source: MPR analysis of OHCA provider and enrollment data.
Major Findings on Access (Cont.)

- Emergency room (ER) visits
  - SoonerCare Choice ER visits dropped from 80 per 1000 months of enrollment in 2004 to 76 in 2007
    • National Medicaid ER use rose during this period
  - 1.2 ER visits for every SoonerCare Choice office visit in 2003, but only 0.7 in 2007
    • Decrease concentrated among PCPs whose patients had most ER visits
    • OHCA focus on high ER users appears effective
Major Findings on Access (Cont.)

- Preventable hospitalizations
  - Overall rate dropped among adults from 2003 to 2006
    ♦ 24% drop in urban areas and 15% in rural areas
  - Rates generally unchanged for children, but rose for gastroenteritis in urban areas and dropped for asthma in rural areas
  - SoonerCare Choice has performed as effectively as Plus for most types of preventable hospitalizations
  - Reducing preventable hospitalizations by half would save at least $8 million a year
    ♦ Additional savings possible from reduced ER use
Major Findings on Access (Cont.)

Significant Changes in Preventable Hospitalizations Among Urban SoonerCare Adults, 2003 to 2006

Source: MPR analysis of OHCA Medicaid enrollment records and OSDH inpatient discharge records.
Major Findings on Access (Cont.)

Distribution of Preventable Hospitalizations Among SoonerCare Choice Enrollees in 2006

- **Children (42%)**
- **Adults (58%)**

- Prior ER use: 28%
- Prior ER use: 39%

Source: MPR analysis of OHCA Medicaid enrollment records and OSDH inpatient discharge records.
Major Findings on Quality

- Process of care measures (HEDIS)
  - OHCA tracks 19 measures for SoonerCare Choice
    - Ambulatory care visits, tests, screenings, appropriate asthma medications
  - All measures showed improvement through 2007
  - 5 of 19 met or exceeded national Medicaid benchmarks
    - Relatively high bar for PCCM programs

HEDIS = Healthcare Effectiveness Data and Information Set
Major Findings on Quality (Cont.)

- Beneficiary satisfaction (CAHPS and ECHO)
  - Satisfaction between 2003 and 2007 was high for measures most relevant to PCCM programs
  - Below national CAHPS benchmarks in 2005 and 2006, but by small margins
  - Behavioral health care satisfaction (ECHO) has been high

CAHPS = Consumer Assessment of Healthcare Providers and Systems
ECHO = Experience of Care and Health Outcomes Survey
Major Findings on Cost

- Medicaid costs per member in Oklahoma were below the national average between 1996 and 2005
  - Costs for those in managed care (children and non-disabled adults) were especially low

- Medicaid accounted for a smaller share of the state budget in Oklahoma between 1996 and 2005 than the national average and 19 comparison states
  - Medicaid accounted for 6.5% of state expenditures in 1996 and 10% in 2006
  - National average rose from 12.5% to nearly 14% during the same period
Major Findings on Costs (Cont.)

Medicaid Payments Per Enrollee, Fiscal Years 1999-2005

Source: Medicare and Medicaid Statistical Supplement, Centers for Medicare and Medicaid Services
OHCA Role and Performance

- OHCA is unusual among state Medicaid agencies
  - One of only seven stand-alone Medicaid agencies (AL, AZ, CO, FL, KS, MS, OK)
  - One of only two Medicaid agencies with external governing board (KS, OK)
  - Separate personnel and salary system
  - Experience and tenure of top leadership
    - Two-thirds of top executive staff have been with OHCA since 1995, and over one-third of all supervisory staff
OHCA Role and Performance (Cont.)

- Notable accomplishments
  - SoonerCare Choice design and implementation
    ♦ Better access to physicians in rural areas
    ♦ Solid alternative to MCOs when needed
  - Smooth transition to new programs
    ♦ Initial SoonerCare implementation in 1995-96
    ♦ ABD enrollment in 1999
    ♦ Plus to Choice in 2003-04
    ♦ Insure Oklahoma in 2005-06
  - Managed care enhancements in SoonerCare Choice
    ♦ Nurse care managers
    ♦ Health Management Program
    ♦ “Medical home” reimbursement reform
Notable accomplishments (Cont.)

- Innovation and strategic planning
- Information technology enhancements
  - Improved provider payment
  - Member enrollment
- Quality and performance monitoring and reporting
  - “Minding our Ps and Qs”
  - APS quality reports
- Public reporting and accountability
  - Strategic Plan
  - Service Efforts & Accomplishments
  - Fast Facts
  - Provider Updates
Areas for improvement

- Better coordination of care coordination initiatives
  ♦ SoonerCare Choice nurse care management and new Health Management Program

- Better coordination with other state agencies
  ♦ Generally very good, but room for improvement with Insure Oklahoma (Oklahoma Insurance Dept.) and HCBS waivers (Dept. of Human Services)

- Even more communication, especially with legislature
  ♦ Term limits present challenges and opportunities

- Leadership transition planning
  ♦ Build on current strengths
Lessons and Implications for Other States

- Program design and management
- Agency management
- Relationships with external stakeholders
Lessons and Implications for Other States

- Program design and management
  - With sufficient resources and leadership, Medicaid agencies can manage costs and care as well as MCOs
  - Models from other states can be guides, but must be adapted to contexts of individual states
    ♦ Health Management Program, “medical home” reforms
  - Performance measurement is needed to support management decisions
    ♦ Data partnerships with other agencies can help
  - Focusing on providers as clients can improve participation
  - Concerted outreach efforts are needed to increase enrollment of Medicaid-eligible populations
Lessons and Implications for Other States (Cont.)

- Agency management
  - Change is always disruptive, but adequate resources and leadership can smooth transitions
    - SoonerCare Plus to Choice transition is a textbook example
  - Managing managed care programs requires major investments in infrastructure, staffing, monitoring, and reporting
  - Skilled and experienced in-house staff are needed to work successfully with outside contractors (EDS, APS)
  - Strategic planning is needed to take advantage of windows of opportunity that can open and close quickly
    - Physician reimbursement increases in 2004-2005, Insure, Oklahoma, Health Management Program
  - Changing circumstances provide new opportunities
    - “Medical home” reimbursement reforms
Lessons and Implications for Other States (Cont.)

- Relationships with external stakeholders
  - Effective and continuous communication is key
    ◆ Array of OHCA reports provides important underpinning
  - Stakeholder consultation should be targeted to build engagement and support
    ◆ Annual strategic planning retreat with OHCA Board
      - Open to the public
    ◆ Medical Advisory Committee (MAC)
      - Required by federal regulations
    ◆ Medical Advisory Task Force (MAT)
      - Medical home advice
    ◆ SoonerCare Tribal Consultations
      - Improve SoonerCare for Native Americans
Conclusion

- Oklahoma’s SoonerCare 1115 waiver program has demonstrated how to innovate within the constraints and opportunities that the state context provides
  - History, politics, economics, demographics, fiscal resources, and leadership are all important

- OHCA provides a solid model for other states of how to design, implement, manage, and improve Medicaid managed care programs over time
  - Borrow from other states, but adapt to your needs and opportunities
  - Leadership, resources, good data, and good management are needed to make it work