

**SOONERCARE MANAGED CARE
HISTORY AND PERFORMANCE
1115 Waiver Evaluation**

**James Verdier
Margaret Colby
Mathematica Policy Research, Inc.**

Presentation to

**Oklahoma Health Care Authority Board
Oklahoma City, Oklahoma
January 8, 2009**

MATHEMATICA
Policy Research, Inc.

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

- **Origin and early years (1992-1996)**
 - 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.)

- **Development and expansion (1997-2003)**
 - 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

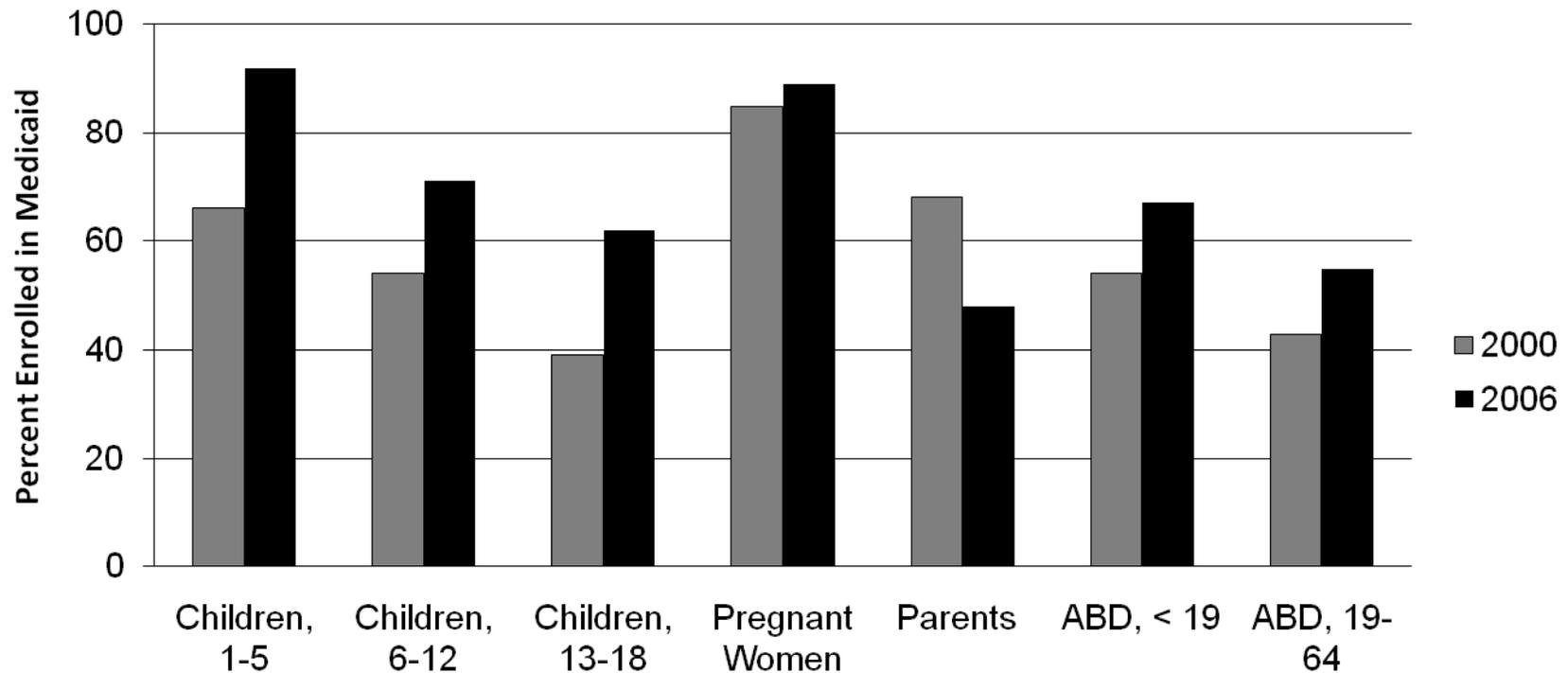
- Access
- Quality
- Costs

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

	1995-1996		2000-2001		2006-2007	
	Oklahoma	U.S	Oklahoma	U.S.	Oklahoma	U.S.
Children (<19)	29%	23%	21%	20%	13%	18%
Adults (19-64)	35%	37%	38%	37%	37%	40%
Total Under Age 65	33%	31%	31%	30%	27%	32%

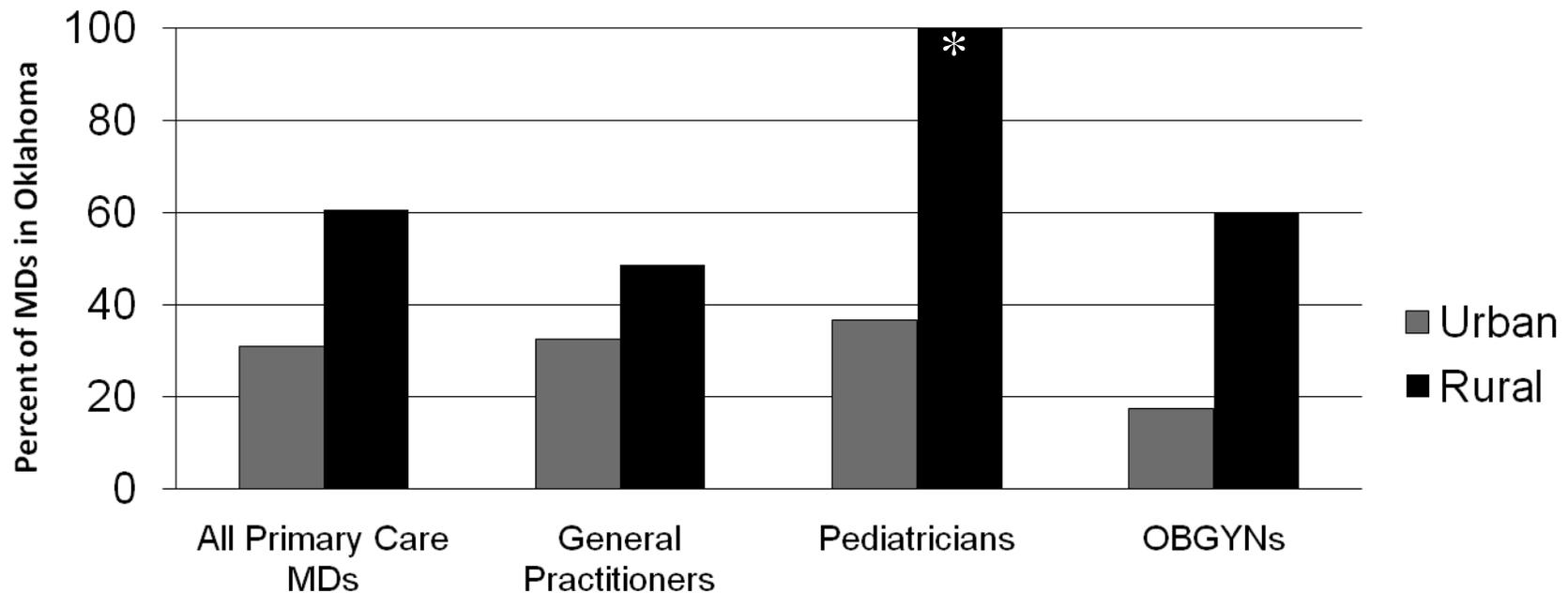
Source: MPR analysis of U.S. Census Bureau Current Population Survey .

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

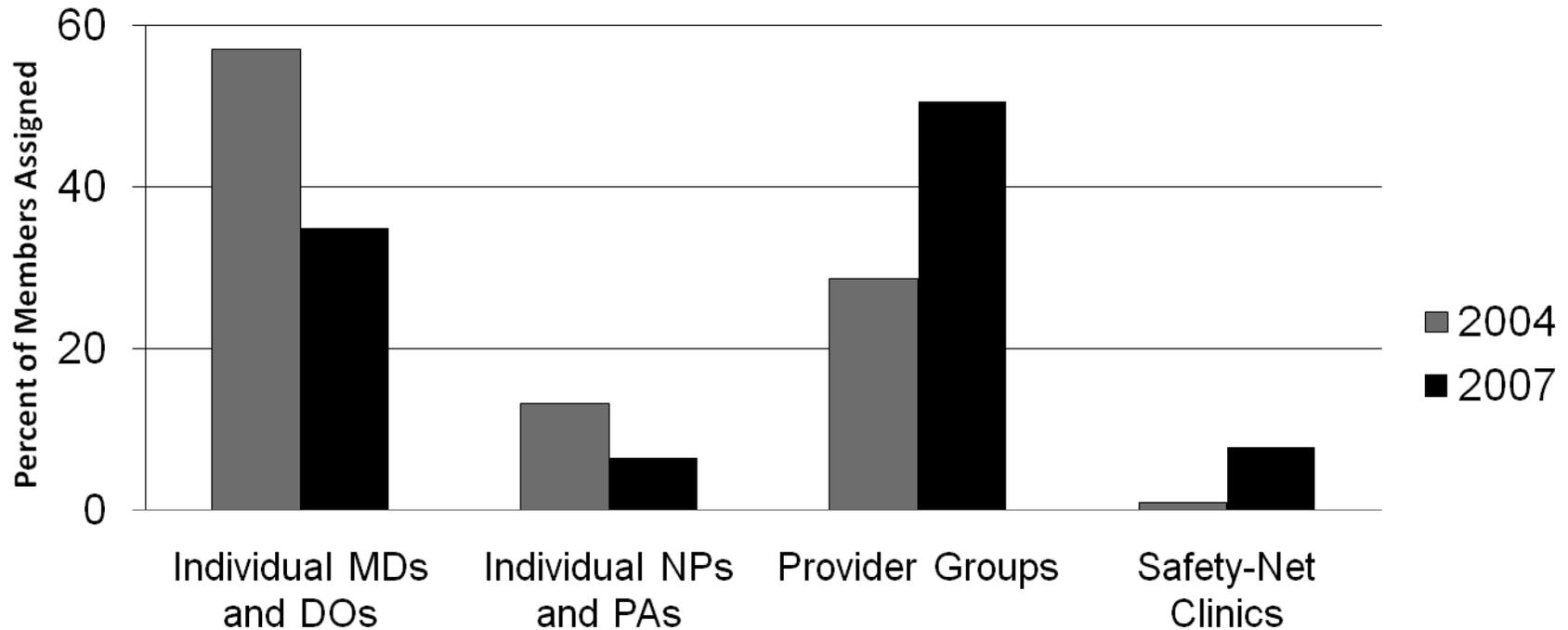


Source: MPR analysis of OHCA provider data and Area Resource File.

* 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.)

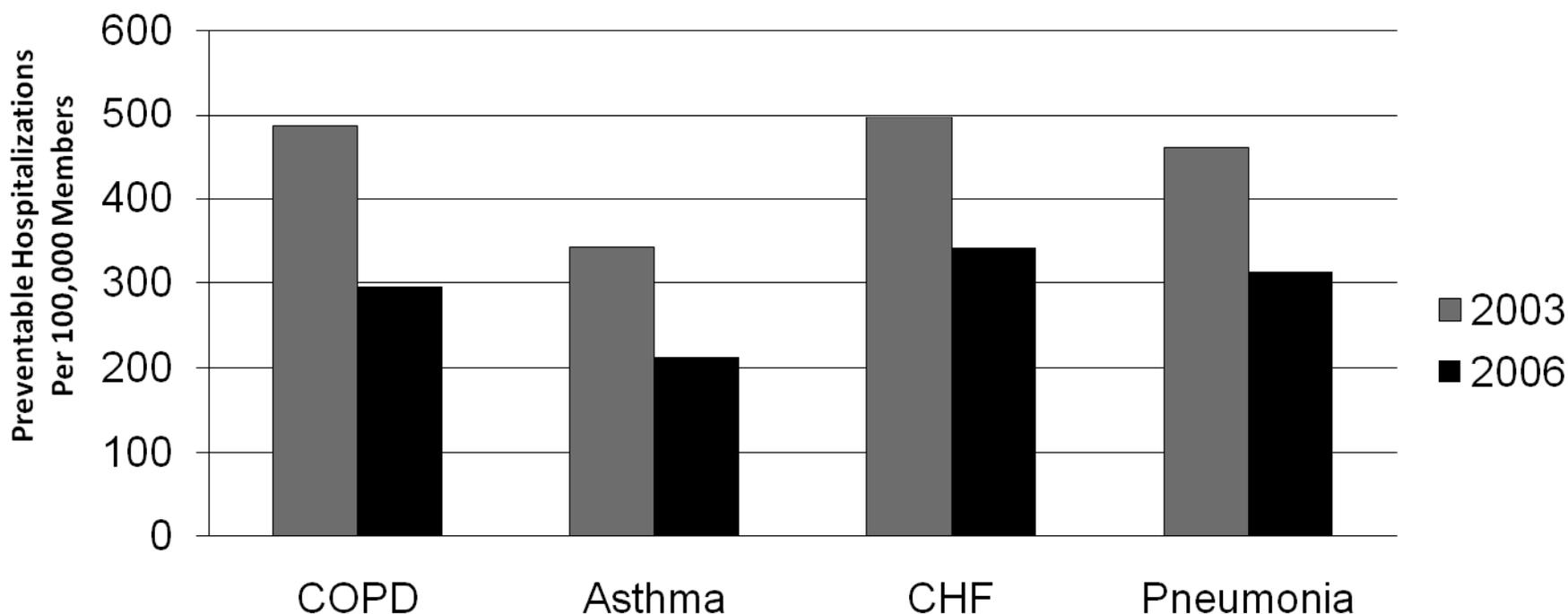
- **Emergency room (ER) visits**
 - **SoonerCare Choice ER visits dropped from 80 per 1000 months of enrollment in 2004 to 76 in 2007**
 - ◆ **National Medicaid ER use rose during this period**
 - **1.2 ER visits for every SoonerCare Choice office visit in 2003, but only 0.7 in 2007**
 - ◆ **Decrease 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.)

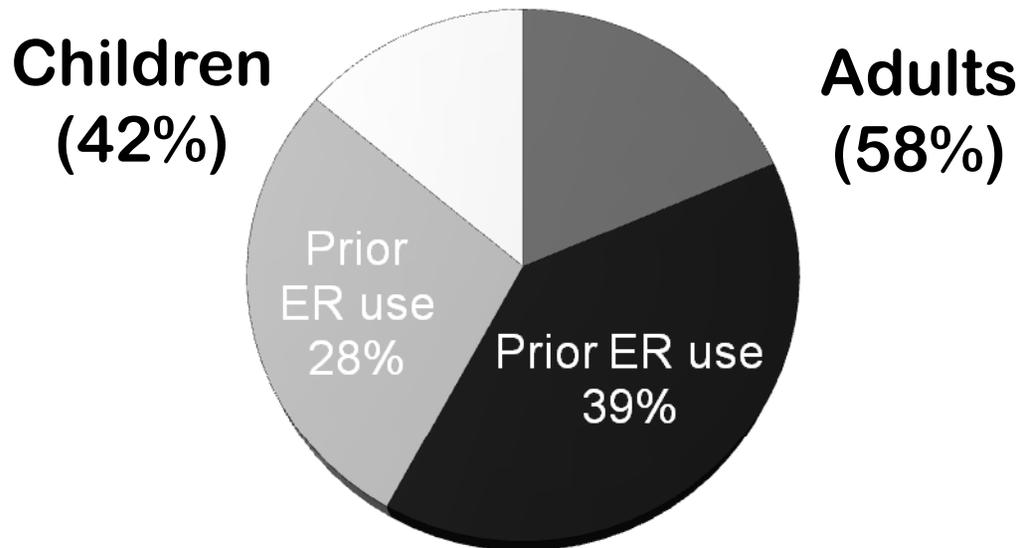
Significant Changes in Preventable Hospitalizations Among Urban SoonerCare Adults, 2003 to 2006



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



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

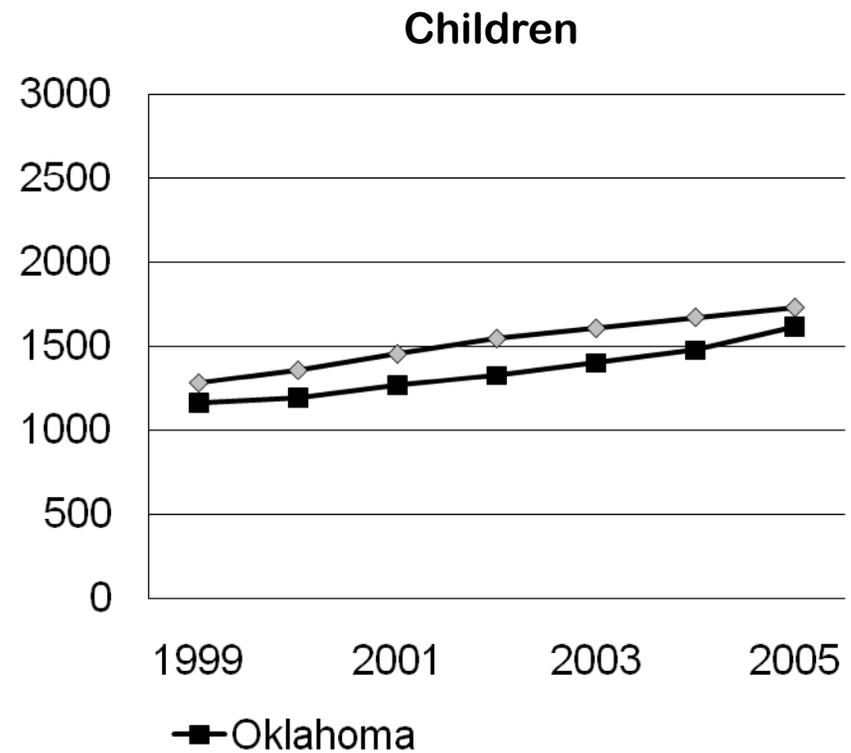
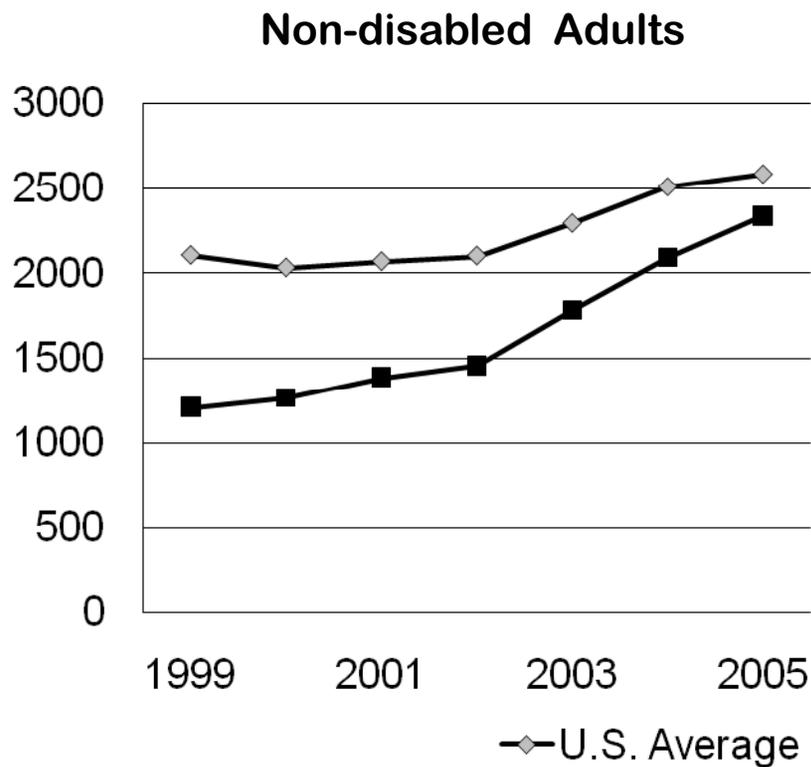
CAHPS = Consumer Assessment of Healthcare Providers and Systems
ECHO = Experience of Care and Health Outcomes Survey

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

OHCA Role and Performance (Cont.)

- **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

OHCA Role and Performance (Cont.)

- **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