

# Governor's Indian Health Advisory Council Brief Specialized Managed Care Program

## State Option for American Indian and Alaska Native Medicaid Clients

### Background

Under Medicaid rules, state Medicaid agencies contract with managed care organizations (MCOs) to offer managed care services for Medicaid clients. Medicaid managed care programs offer some advantages over the Medicaid fee-for-service program.

#### Fee-for-Service

In Medicaid fee-for-service, health care providers enroll directly with the state Medicaid agency and submit claims directly to the state Medicaid agency for payment. The state pays claims at the applicable rate in the state's fee schedule for services that are covered by the Medicaid fee-for-service program. The Washington state Medicaid fee-for-service program currently covers the following care coordination services: primary care case management (currently paying Indian Health Care Providers \$3.00 per person per month for those clients enrolled in the program), health home services (for which clients must have multiple health conditions), and substance use disorder-related case management services.

#### Managed Care

In Medicaid managed care, the state pays a monthly premium to the managed care organization (MCO), which is a type of managed care entity, for every client enrolled with the MCO, and the MCO is financially at-risk for providing all of the managed care-covered services to Medicaid beneficiaries. The amount of the monthly premium for different Medicaid beneficiary groups is determined by an actuary using the previous years' costs of providing care to that group and estimates of cost increases.

With those premiums, MCOs pay for all medically necessary health care services included in their contract with the state. MCOs negotiate rates with

providers, which may be more than the rates in the state Medicaid fee-for-service fee schedule and which may include alternative payment arrangements, such as monthly fixed rates. MCOs may also use those premiums to pay for additional services (these are called value-added services), which are not covered by the state Medicaid program. MCOs enroll providers, making sure the providers are appropriately licensed or certified. MCOs manage risk and ensure the medical necessity of health care services using various authorization policies. MCOs then pay claims for health care services that qualify for Medicaid coverage (or that qualify under the MCOs' value-added benefits).

### Specialized Managed Care Contract

For some Medicaid-covered populations, state Medicaid agencies contract with one or more MCOs to provide specialized managed care services for that population. Under a specialized managed care contract, the state Medicaid agency pays an MCO to provide both standard Medicaid managed care services and additional contracted services.

#### Possible Benefits for American Indians

If the state were to contract with an MCO for specialized managed care services, the program could offer the following benefits:

- Benefits could be designed in collaboration with tribes and other Indian health care providers to meet the specific needs of the covered population, such as culturally appropriate and historical trauma-informed care;
- Benefits could be available statewide if the contract is for services statewide;

- MCO is able to negotiate rates with providers as needed to ensure access to Medicaid-covered services for AI/AN and non-AI/AN enrollees; and
- Program could include incentives to encourage providers to learn culturally-appropriate and historic trauma-informed skills.

## Another Specialized Managed Care Program: Apple Health Foster Care

The Apple Health Foster Care (AHFC) program, known as Apple Health Core Connections (AHCC), is a managed care program providing coordinated health care services for children and youth in foster care, extended foster care, adoption support, young adult alumni of foster care, and children reunified with their parents.

Through a competitive bidding process, the Health Care Authority (HCA) selected Coordinated Care as the statewide plan to provide AHFC services, beginning April 1, 2016.

Apple Health Core Connections provides:

- A collaborative approach to serving this vulnerable population by working with the Department of Children, Youth and Families (DCYF) to ensure better coordination of care for enrollees and involve the child's parents, caregivers, health care providers and social workers.
- Contracted providers with access and technology to securely share medical information.
- Access to clinical experts and training to support providers caring for children who have experienced trauma, abuse and neglect.
- Improved access to care by establishing a medical home with an assigned primary care provider for AHCC members.
- Smooth health care transitions as children and youth move from home to foster care,

between placements, hospitals or other institutional settings.

- Community education trainings available statewide at no cost for caregivers, providers and other child welfare stakeholders.

Coordinated Care covers all Medicaid managed care health services, including physical health, routine vision, pharmacy, behavioral health, and substance use disorder treatment, along with some additional programs that Coordinated Care designed specifically for AHCC members.