Washington State Health Care Authority

Governor's Indian Health Advisory Council Brief

Three-Party Managed Care Agreement

Wisconsin's Managed Care Program for Long-Term Care Clients

Background

In 2014 Wisconsin Department of Health Services (DHS) began transitioning the state's Medicaid long-term care services program for frail elders and adults with disabilities from fee-for-service to managed care (Family Care). The tribes disagreed with the state's plan to transition Medicaid long-term services to managed care and asked the Centers for Medicare and Medicaid Services (CMS) for an exemption for tribes. CMS denied the tribes' request for an exemption, which compelled the tribes to contract with the MCOs. Two of the tribes then asked for a three-party managed care contract involving the tribe, DHS, and the MCO. CMS and DHS agreed.

Fee-for-Service

In Medicaid fee-for-service, health care providers – including Indian Health Service (IHS) and tribal clinics – enroll directly with the state Medicaid agency and submit claims directly to the state Medicaid agency for payment.

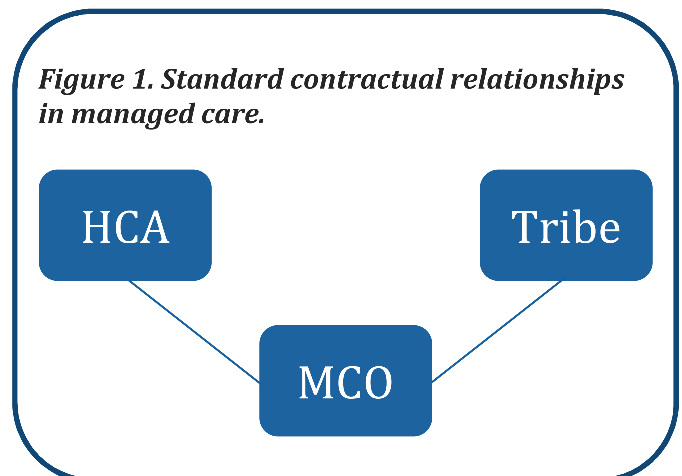
For tribes, this direct relationship with the state Medicaid agency is aligned with the tribes' government-to-government relationships with the state.

Managed Care

In Medicaid managed care, the state pays a monthly premium to the managed care organization (MCO), and the MCO is financially at-risk for providing all of the managed care-covered services to Medicaid beneficiaries. Health care providers – including IHS and tribal clinics – enroll with the MCO and submit claims to the MCO for payment. If the MCO does not pay the IHS encounter rate, then IHS and tribal clinics submit a claim for the unpaid balance to the Medicaid state agency for payment.

Most states, including Washington State, have moved some portion of their Medicaid programs from fee-for-service to managed care. For states, managed care offers more predictability for their Medicaid budget appropriations, and the managed care program makes MCOs responsible for coordinating care and ensuring access to health care services.

Figure 1. Standard contractual relationships in managed care.



For tribes, having the MCO as the payer – instead of the state – introduces a contracted corporate entity into what have historically been direct government-to-government relationships between the tribes and the state. These standard contractual relationships in managed care (see Figure 1) raise questions of how problems with MCOs will be addressed. Under federal rules, MCOs are required to offer an appeals process for Medicaid clients. These rules, however, do not reflect the government-to-government relationships between tribes and the state.

Wisconsin's Family Care Program

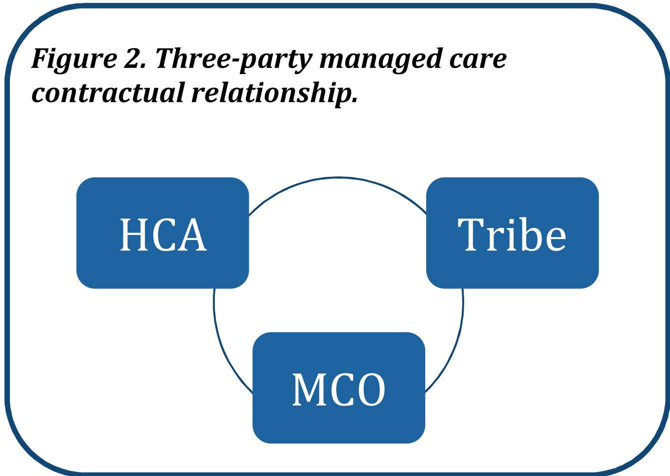
Local Aging and Disability Resource Centers (ADRCs) describe the long-term care options available to the client, including Family Care. If the client chooses to enroll in Family Care, MCOs arrange and/or pay for

various services, including home and community based services, care and transportation management by an interdisciplinary team, and supported employment services. Clients have an active role in developing their member-centered plans, including any self-directed support services.

Three-Party Managed Care Agreement

To address their concerns with Family Care as a managed care program, the Oneida Nation and the Menominee Tribe of Wisconsin negotiated a three-party agreement with DHS and one MCO, available at https://www.dhs.wisconsin.gov/familycare/tribal-three-party-agreement.pdf.

Figure 2. Three-party managed care contractual relationship.



These three-party agreements reflect the tribe as a sovereign nation and confirm that the tribe is neither a subcontractor nor a participating provider of the MCO.

Family Care Tribal Option

These agreements also establish the Family Care Tribal Option, which is only available to American Indian and Alaska Native clients but which must be offered to all clients.

- An Indian Health Care Provider (IHCP) may employ Tribal Aging and Disability Resource Specialists (Tribal ADRSs) – instead of relying on ADRCs – to counsel clients on their long-term care options.
- Clients who choose the Family Care Tribal Option will also choose an IHCP.
- The IHCP has an interdisciplinary team, including at least a registered nurse and a social service coordination, to:
    - Help the client develop a member-centered plan and complete a comprehensive assessment using the MCO's care management system and assessment protocols;
    - Authorize long-term care services for the client using the MCO's care management system and authorization policies; and
    - Coordinate with primary care and health care services.
- The IHCP provides or arranges for all health and long-term care services in the Family Care benefit package, including any providers contracted by the IHCP to provide services to the IHCP's clients.
- The MCO must pay the IHCP promptly for services provided at negotiated rates, and DHS pays the IHCP for the difference between those rates and the total amount owed to the IHCP (e.g., the IHS encounter rate).
- The IHCP must submit an annual cost report.
- Client disputes regarding assessments or service authorization are first referred to the MCO's appeals process. After exhausting the MCO's appeals process, the disputes are reviewed by DHS – IHCPs participate in DHS reviews and fair hearings.