

CalMediConnect: Managed Care for Dual Eligibles

By 2015, California intends to transition people who are dually eligible for both Medicare and Medi-Cal into a simpler, streamlined health care delivery system of comprehensive, coordinated benefits and services. Under the current system, beneficiaries must navigate a fragmented system of separate Medicare and Medi-Cal benefits, payers, and providers. The new managed care delivery model, called Cal MediConnect, will combine a full continuum of medical and community-based services into a single benefit package administered by and delivered through health plans. Cal MediConnect will begin a demonstration project in eight pilot counties with 11 participating health plans no sooner than April 2014. The project is overseen by the Department of Health Care Services.

› WHAT IS MEDICARE?

A federal system that provides health coverage to those 65 and older and people with certain disabilities or medical conditions

Primary payer for many services:

- Hospital services
- Outpatient, physician, other provider services
- Skilled nursing facilities
- Home health care
- Dialysis
- Prescription drugs
- Durable medical equipment
- Hospice

› WHAT IS MEDI-CAL?

(California's Medicaid program)

A state-based system that provides health coverage to low-income Californians; covers certain services not covered by Medicare and helps beneficiaries pay some of their Medicare premiums, copays, and deductibles

Medi-Cal is the payer "of last resort" and covers duals':

- Medicare cost-sharing (Part A and B deductibles, Part B premiums and coinsurance, some prescription drug costs)
- Nursing home care
- Transportation to medical appointments
- Some home- and community-based services, personal care, home health care
- Some services and costs not covered by Medicare

**DUAL
ELIGIBLE**

Someone who is eligible for health coverage through Medicare and Medicaid

30%
younger people
with disabilities



Current System is Fragmented, Confusing, and Inefficient

- Contradictory treatments
- Reimbursement disputes
- Medication interactions/errors
- Duplicative tests
- Overreliance on institutional care
- Unnecessary care settings
- Lack of care coordination
- No directory of providers
- Multiple phone numbers
- Multiple ID cards

Under the current system, people with Medicare and Medi-Cal are not connected to a unified system of health care delivery. The programs are administered separately with different benefits and providers, which can result in fragmented, confusing, and inefficient care for dual eligibles. Moreover, beneficiaries may be enrolled in a combination of traditional fee-for-service or managed care. This high-needs, high-cost population may receive delayed, duplicative, and even unnecessary care due to this lack of coordination.

Dual Eligibles are a High-Needs, High-Cost Population

On the whole, duals suffer from complex, high-cost medical conditions and take multiple prescription medications.

1.2 Million DUAL ELIGIBLES
IN CALIFORNIA



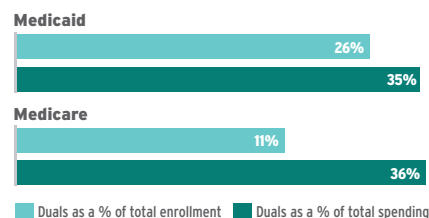
AVERAGE
HEALTH
CARE
COSTS **\$30,000**
PER DUAL / PER YEAR

MORE THAN
HALF
OF DUALS
have cognitive
or mental
impairments

1 IN 6
DUALS LIVES
IN AN
INSTITUTION

DUALS COST
4x MORE than
Medicare-only
enrollees

Duals: Medicaid vs. Medicare



Costs for dual eligibles is roughly evenly split between the Medicare and Medi-Cal programs. However, Medi-Cal typically covers 80% of dual eligibles' long term care costs while Medicare pays for most of dual eligibles' inpatient and outpatient care.

Cal MediConnect: Managed Care for Dual Eligibles

→ How Cal MediConnect Works



Cal MediConnect health plans will manage Medicare and Medi-Cal benefits and services, including medical care, long-term supports and services, behavioral and mental health care services, and social supports. **The coordination helps ensure patients get the right care at the right time in the right setting.**

The managed care health plans will receive a fixed monthly payment to provide beneficiaries access to all covered, medically necessary services. Monthly payments create strong financial incentives to ensure beneficiaries receive preventive care and home- and community-based services to avoid unnecessary hospital or nursing home admissions. Coordinated care will also reduce duplicative, unnecessary, or delayed care that increases costs. The state anticipates a 20% reduction in hospitalizations and a 5% reduction in nursing home usage among Cal MediConnect enrollees.



→ Benefits of Managed Care

- › Simplified, streamlined services:
 - One point of contact for all covered benefits
 - One health plan membership card
 - One phone number to call for help
- › Improved access to home- and community-based services and reduced reliance on institutional settings
- › Care and Setting Transition Teams
- › Patient-centered care:
 - Access to nurses, social workers, and a care coordination team
 - Beneficiaries and their families may participate in the care team
 - Continuity of care and care coordination between settings
- › Access to interpreters for non-English speakers and documents in their language

→ Safeguards & Consumer Protections

- › Can opt-out any time before or after passive enrollment
- › Health plans required to ensure network adequacy
- › Access to out-of-network Medicare providers for up to 6 months and out-of-network Medi-Cal providers up to one year
- › Same standards for appeals and grievance processes for Medi-Cal and Medicare services, including fair hearing process for in-home supports and services
- › Defined quality of care measures
- › Right to hire, fire and train in-home supports and services workers
- › Continual monitoring by Department of Health Care Services
- › DHCS will enforce consumer protections
- › DHCS can make changes to the program at any time
- › Cal MediConnect will have a dedicated Ombudsman under DMHC

Up to 456,000 Dual Eligibles in 8 Pilot Counties

› ALAMEDA



› LOS ANGELES (up to 200,000 duals)



› ORANGE



› SAN DIEGO



› SAN MATEO



› RIVERSIDE



› SAN BERNARDINO



› SANTA CLARA



*LTSS only

For more information, please go to www.calhealthplans.org

