

Cardinal
Innovations
HEALTHCARE

State CFAC


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- Where we have BEEN
- Where we ARE now
- Where we are GOING

In the Beginning...

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In the Beginning...



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Medicaid Managed Care in the '90s


- States begin to contract management of Medicaid services to health plans
- Plans begin to take on risk for Medicaid costs
- Primary focus is on pregnant women and children
- Introduction of management of services and supports for special populations, including LTSS

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North Carolina in the '00s


- Specialty services privatized
 - Mental Health
 - IDD
 - SU
- Local Management Entities (LMEs)
- Beginning of the Managed Care Organization (MCO) Pilot
- Medical care remained unmanaged
 - Coordinated through primary care case management

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Medicaid Then...and Now

- From safety net to one-fifth of all Americans
- Medicaid in 1965
 - Welfare benefit for specific, limited populations
 - Publicly administered
- Medicaid in 2016
 - Means-test benefit for entire population
 - Privately managed
- Jointly Financed
 - All, 9, 4, 3 or 2 for 1 FMAP




Medicaid Today, By the Numbers

- Insures 1 in 5 Americans
- Finances \$1 of every \$6 of health spending nationally
- Covers 50% of all births
- 25% of all behavioral health
- 50% of all services and supports for the disabled and the elderly
- 35% of safety-net hospital revenues
- 40% of health center revenues
- Approximately \$550B total spending in 2016
- 77% of enrollees are in contracted managed care plans




More Numbers

- The disabled and the elderly
- 25% of Medicaid enrollees are disabled or elderly
 - The disabled drive 42% of all spending
 - The elderly drive 21% of all spending
 - 63% total, or \$347B per year
- 14% of enrollees are disabled or elderly that are dually eligible for both Medicaid and Medicare
 - Duals drive 40% of all spending
 - \$220B per year is attributable to less than 10 million (of 70 million) enrollees



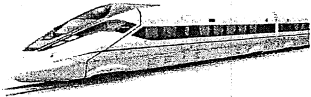
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- Healthcare and home and community-based services (LTSS: long term services and supports)
- Members with mental health, substance use and/or intellectual and developmental disabilities
- 1% of members drive 52% of service costs
- For that 1% of members, between 83%-87% of the total cost of care is for specialty services
- Efficacy and cost of specialty services is directly correlated to non-healthcare community and social services
- Largest specialty plan in the country



Medicaid Reform

- It's BIG
- It's MANAGED
- And it's COMING to North Carolina





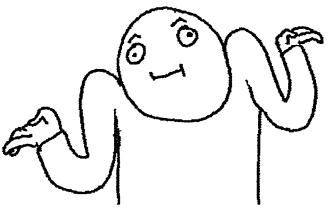
North Carolina 'Reformed' Medicaid

- CHOICE, CHOICE and CHOICE
- State will choose which plans receive contracts
- Providers will choose which plans they join
- Members and families will choose which plan and which providers they receive services from

➤ Different plans will provide different services

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What's In Your Health Plan?



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IDD Services

- Arkansas
- Louisiana
- Iowa
- New York
- Illinois
- New Hampshire
- Texas
- Oklahoma
- Nebraska

➤ North Carolina and Kansas

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New York Times, August 12, 2016

- IDD Providers
- Inclusion in managed care
- "...embrace the future by designing an approach that achieves the highest quality of life."
- Person centered
- Adequate funding
- Value based payment models
- Promote innovation and flexible models of care

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What Do You Want In Your Plan?



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North Carolina's Specialty System

- Disability specific services
- Care coordination
- Housing
- Transportation
- Customized services (B3 and In Lieu of)
- Community guide
- Peer supports
- Person centered
- Community based and local

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What Next?

