

# Issue Brief

## Medicaid Managed Care



### What's New?

- The process for Managed Care Organizations (MCOs) that did not win a contract to protest the Department of Healthcare and Family Services (HFS) RFP award decision was extended to 3:00 PM CT on Friday, September 1, 2017, giving organizations an additional week from the original deadline.
- On Friday, August 11, 2017, HFS announced award contracts to six MCOs to provide covered services to certain Medicaid-eligible populations starting January 1, 2018.
  - Statewide winners included: Blue Cross, Blue Shield of Illinois, Harmony Health Plan, Illinicare Health Plan, Meridian Health and Molina Healthcare of Illinois.
  - CountyCare Health Plan was selected as a health plan option for eligible populations in Cook County.
  - Illinicare Health Plan was selected to serve Department of Children and Family Services (DCFS) youth.
- HFS has issued a Request for Proposal (RFP) to secure a contract with a consulting/audit vendor to ensure that plans exiting the Illinois Medicaid managed care market as of 12/31/17 adequately resolve outstanding claim disputes and meet all outstanding financial obligations to providers.
- Official information on the Department of Healthcare and Family Services Medicaid Managed Care RFP can be found here: <https://www.illinois.gov/hfs/info/MedicaidManagedCareRFP/Pages/default.aspx>

### What is the issue?

- In 2011, the Illinois General Assembly passed legislation mandating 50 percent of the Medicaid population be covered in a risk-based care coordination program or managed care program by 2015.
- Governor Pat Quinn signed the Save Medicaid Access & Resources Together (SMART) Act (Public Act 96-1501) into law.
- The state's goal was to create integrated delivery systems that provide quality care and result in better health outcomes for Medicaid recipients at reduced costs.
- Initially, this approach sought to save the state \$16.1 million by integrating care for the most complex Medicaid beneficiaries.
- Department of Health and Family services issued an RFP to reduce the number of plans providing coverage in Illinois to address operational concerns raised by providers.

### Why does it matter?

- Presence Health serves a significant percentage of the Illinois Medicaid population.
- Compared to Medicaid fee-for-service in Illinois, Medicaid managed care has resulted in significant payment delays and denials for services provided to Medicaid patients.
- Other issues Illinois health care providers have experienced with MCOs include issues with credentialing, eligibility determinations and prior authorization.
- Effective managed care can achieve the triple aim of improved quality with better outcomes at a lower cost.

## What is the Presence Health Perspective?

- **Care for the whole person is important.** Presence Health delivers holistic care and believes that we must care for the whole person. Care coordination, a key component of managed care, is critical to ensuring the physical, mental and spiritual health of an individual.
- **MCO oversight will improve performance.** Given our experience, Presence Health believes the Department of Health and Family Services should provide increased and ongoing oversight, enforcement and audits to address operational issues related to provider credentialing, eligibility verification, prior authorization and claims processing.