

## ***Oklahoma Managed Care: Next Generation***

### ***Patient-Centered Medical Home***

#### **Background**

The Oklahoma Health Care Authority (OHCA) formerly operated two managed care delivery systems in different areas of the state. The fully capitated managed care organization (MCO) system called SoonerCare Plus was offered in three urban service areas comprised of 16 counties. The remaining 61 rural counties of the state were served in an enhanced primary care delivery system that was partially capitated. The SoonerCare Plus program was discontinued December 31, 2003. OHCA disenrolled approximately 187,000 SoonerCare Plus members from contracted managed care plans at 12 midnight on December 31, 2003. Concurrent with their disenrollment from managed care these individuals were automatically enrolled in the Oklahoma Medicaid fee-for-service program effective at 12:01 a.m. on January 1, 2004. A subsequent transition from the traditional Medicaid fee-for-service program to SoonerCare Choice doubled the size of the Choice program. Since the transition January 1, 2004, the SoonerCare Choice managed care delivery system has remained operational statewide.

#### **PCP**

All SoonerCare Choice members select or are aligned with a Primary Care Provider (PCP). Effective January 1, 2009, these providers will be responsible for serving as the “medical home” for enrolled managed care members. Building on the successes of the existing network, OHCA believes this transition to an enhanced service delivery model will help ensure that members get the right care at the right time from the right provider.

OHCA intends to make this transition seamless to the members. Members who remain qualified will continue to be enrolled with the same PCP in the new year. New members or those regaining requalifying will be able to select a new PCP if desired or will be permitted to re-enroll with the former PCP.

#### **Reimbursement**

The new program addresses reimbursement in three components:

1. A monthly care coordination fee that is determined by the provider’s self-selection of services available at the medical home
2. Visit-based services are paid fee-for-service at the Medicare allowable
3. A performance based payment will be developed to recognize provider excellence and measurable improvement

Contracted PCPs are responsible for providing or otherwise assuring the provision of medically necessary primary care and case management services and for making specialty care referrals. PCPs are also responsible for providing telephone coverage for their members; this coverage is augmented by an OHCA-contracted Patient Advice Line staffed by registered nurses who utilize nationally established protocols in assisting callers. The Patient Advice Line is available to all SoonerCare members.

### **Medical Home Tiers and Care Coordination PMPM**

In the current prepaid partially capitated program, the case management portion of the monthly payment is a set amount, either \$2 or \$3, depending on the age/gender cell of the member and if the member has a disability classification. The Medical Advisory Task Force has recommended that OHCA adopt a tiered approach to its 2009 Patient Centered Medical Home model, much like the tiers proposed in the Medicare Medical Home pilot. Three tiers have been established – the Entry Level, Advanced and Optimal Medical Homes. A contracted PCP will have to meet certain requirements to qualify for payments in each tier. The payment will also be stratified according to the PCP panel composition – children only, children and adults or adults only. In the 2009 program, care coordination payments will range from \$3.03 to \$8.69. Care coordination payments will be capitated – paid monthly to the contractor on a per member per month (PMPM) basis according to the enrollment on the day these payments are generated.

### **Conclusion**

In summary, Oklahoma is proposing to convert from its current prepaid ambulatory health plan system of managed care to no-risk primary care case management. Financial analyses of the proposed change indicate Oklahoma will operate within current budget neutrality forecasts already submitted by the state and additional funding will not be required.