Cover Page

The One Care Program:

Experience, Challenges and Proposed Solutions

Implementation Council Meeting

July 24, 2015

Commonwealth Care Alliance

Commonwealth Care Alliance slogan is on the bottom left of the slide page: “Healthy is Harder for Some. That is Why we are here.”

Slide 1

The CCA Experience So Far

* CCA has long history of delivering and financing disability competent care through integrated care model.
* Principles of One Care program are integral to purpose and mission of CCA. No organization is more committed to goals of program.
* Countless success stories:
  + Supports personal empowerment and improved quality of life
  + Reduces hospitalizations and associated medical costs while increasing community-based services and improved outcomes
  + Stabilizes living circumstances, increases social supports

Slide 2

Lessons Learned from the Demo to Date

* Timeframe for realizing medical cost savings is much longer than expected
  + More realistic to think about the program’s effectiveness in managing the rate of expenditure growth for this population over time than immediate cost savings
* Why?
  + High prevalence of homelessness, mental illness
  + Lack of connection to / distrust of health system
  + Difficulty in reaching large proportion of members for early assessments and care intervention
  + Significant amount of unmet needs in population

Slide 3

Lessons learned from the Demo to date

* Program features/contractual requirements were not accounted for in the rate development:
  + Start up costs
  + Clinical innovation and investments to fill gaps in FFS environment
  + Regulatory requirements
  + Administrative costs to run the program for this population
  + Provider market rates
    - (e.g. 100% of Medicare rate for hospitals, very likely unique to Massachusetts Demos)
  + Additional benefits/services under the One Care program
    - dental, transportation, other community-based services that improve quality and wellness but may not translate into reduced medical expenses in demonstration timeframe

Slide 4

Additional Challenges

* Part D pharmacy rate methodology requires large “float” of pharmacy costs by One Care Plan
* Only about 40 percent of costs paid in real time, rest can be as late as 18 months after costs incurred
* Overall drug spend significantly higher for One Care enrollees as compared to SCO enrollees due primarily to specialty drugs, anti-psychotic medications

Slide 5

Proposed solutions

* Continue risk-sharing formula for 2015 and 2016 at the 2014 level.
* Move up payments on Part D receivable
* Adjust 2015 reimbursement to recognize uncompensated administrative and other program-related costs for 2015 and for remainder of demonstration
* Adjust 2016 risk adjustment formula for Medicare rates to recognize limits of current HCC methodology and address unique needs of our dually eligible population (full duals and social determinants).