THE ONE CARE PROGRAM: EXPERIENCE, CHALLENGES AND PROPOSED SOLUTIONS

IMPLEMENTATION COUNCIL MEETING

JULY 24, 2015

COMMONWEALTH CARE ALLIANCE

HEALTHY IS HARDER FOR SOME. That's why we're here.

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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

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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

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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

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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

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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).

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