

## Georgia Medicaid: Quality Improvements and Cost Savings

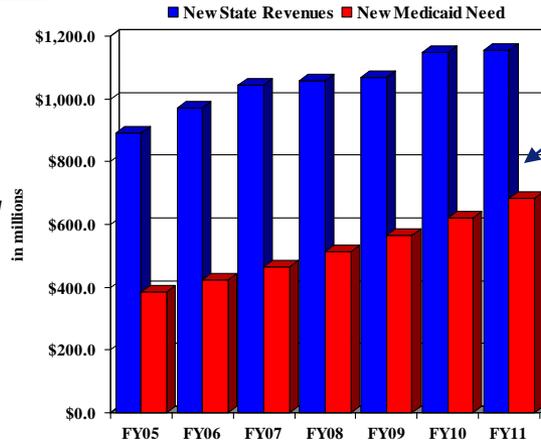


North Carolina Medicaid Reform Study Committee  
January 15, 2014

# Why GA Went Full Risk Managed Care?

## Medicaid Growth is Unsustainable!

- In FY2005, Medicaid will require 43% of all new state revenue
- By FY2008, Medicaid will require over 50% of all new state revenue.
- By FY2011, Medicaid will require 60% of all new state revenue.



	FY05	FY06	FY07	FY08	FY09	FY10	FY11
New Revenue (Discretionary)	60%	56%	55%	52%	47%	46%	40%
New Revenue (Medicaid)	43%	44%	45%	48%	53%	54%	60%

Georgia Department of  
Community Health

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## Managing under PCCM Program

**FY 2005 Projections indicated that by FY2011 Medicaid would require 60% of all new state revenue.**

### Health Care Cost Drivers Addressed by Managed Care:

- Utilization
- Unit Price
- Lack of a medical home
- Limited knowledge on how to access appropriate care

\* Source: Department of Community Health FY 2005 Presentation

# Georgia Medicaid Management Approach

- Managed Care – Georgia Families
  - Full Risk; Carve-in; Mandatory; Statewide; Competitive
  - Members
    - Low Income Medicaid, Breast & Cervical Cancer. CHIP
  
- Disease State Management (Enhanced PCCM)
  - Contractor Fees at Performance risk
  - Members
    - SSI Adults – Voluntary opt-out
    - SSI Children – Voluntary opt-in
  - **Canceled 2010 for non-performance**
  
- Administrative Services Organization (PCCM)
  - All others: Dually Eligible, Katie Beckett, Waivers, etc.
  - **Canceled 2010 for non-performance**

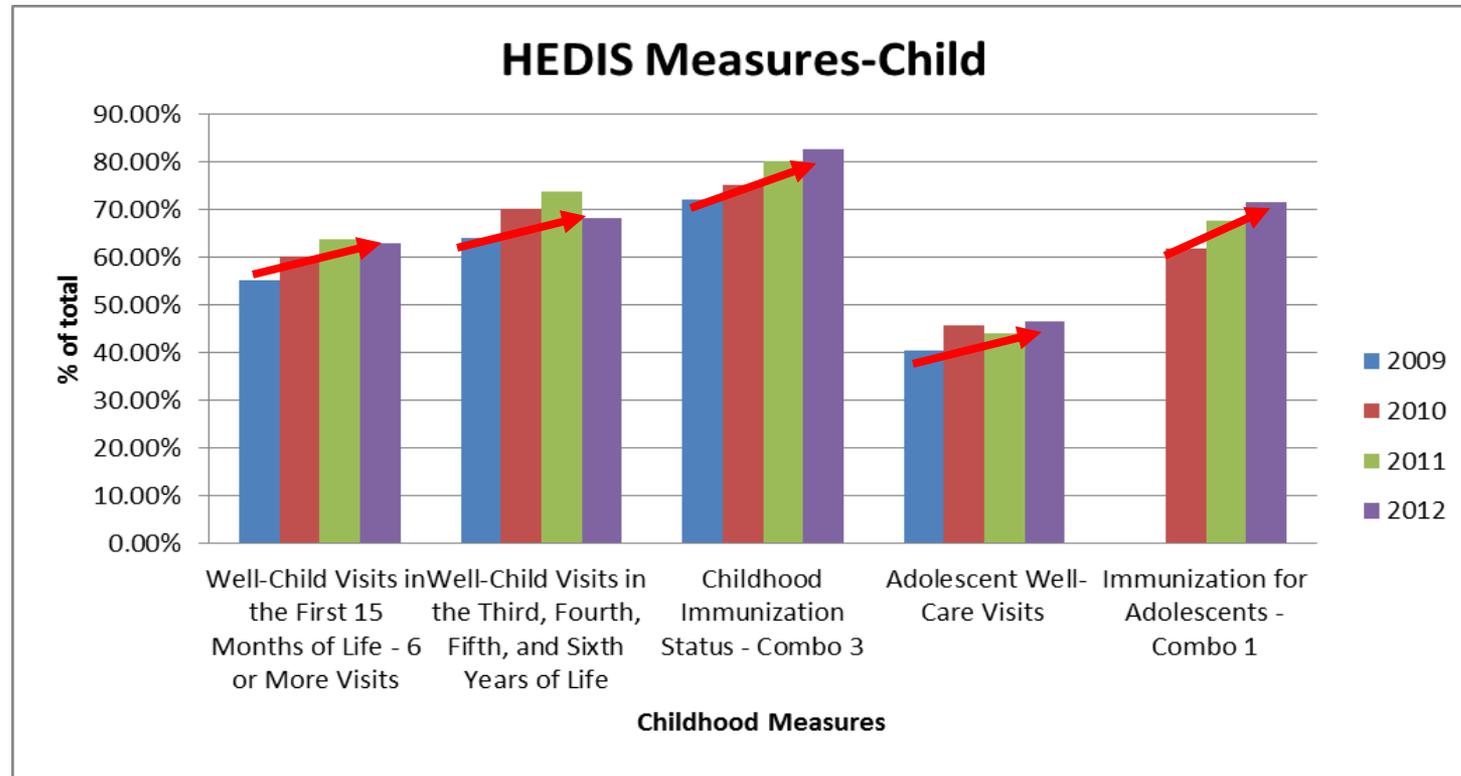


# Quality Measures Pre and Post - Adult

Follow-Up Post Hospitalization for Mental Illness	Pre CMO %	Post CMO %	% Improvement
7-Day Follow-Up	10.9%	47.04%	331.56%
Adult Access to Care	Pre CMO %	Post CMO %	% Improvement
Adults Access to Preventive/Ambulatory Health Services - 20-44 Years	78.4%	84.75%	8.10%
Cervical Cancer Screening (Age 21 - 64)	45.2%	72.7%	60.84%
Breast Cancer Screening (Age 40 – 69 )	40.4%	56.49%	39.83%

Source: Dr. Dubberly, Chief – Medical Assistance Plans; “GA Medicaid and PeachCare for Kids”; 2013 Joint Study Committee on Medicaid Reform; Sept., 23, 2013

# Quality Measures – Well Child Visit Improvements



Source: Dr. Dubberly, Chief – Medical Assistance Plans; “GA Medicaid and PeachCare for Kids”; 2013 Joint Study Committee on Medicaid Reform; Sept., 23, 2013

# Quality Measures Pre and Post – Child Dental

Dental Measure – Annual Dental Visits	Pre CMO %	Post CMO %	% Improvement
Ages 4-6 Years	58.5%	77.08%	31.76%
Ages 7-10 Years	64.3%	79.49%	23.62%
Ages 11-14 Years	57.7%	71.95%	24.70%
Ages 15-18 Years	49.7%	61.11%	22.96%
Ages 19-21 Years	31.1%	38.92%	25.14%
Total	51.9%	69.77%	34.43%

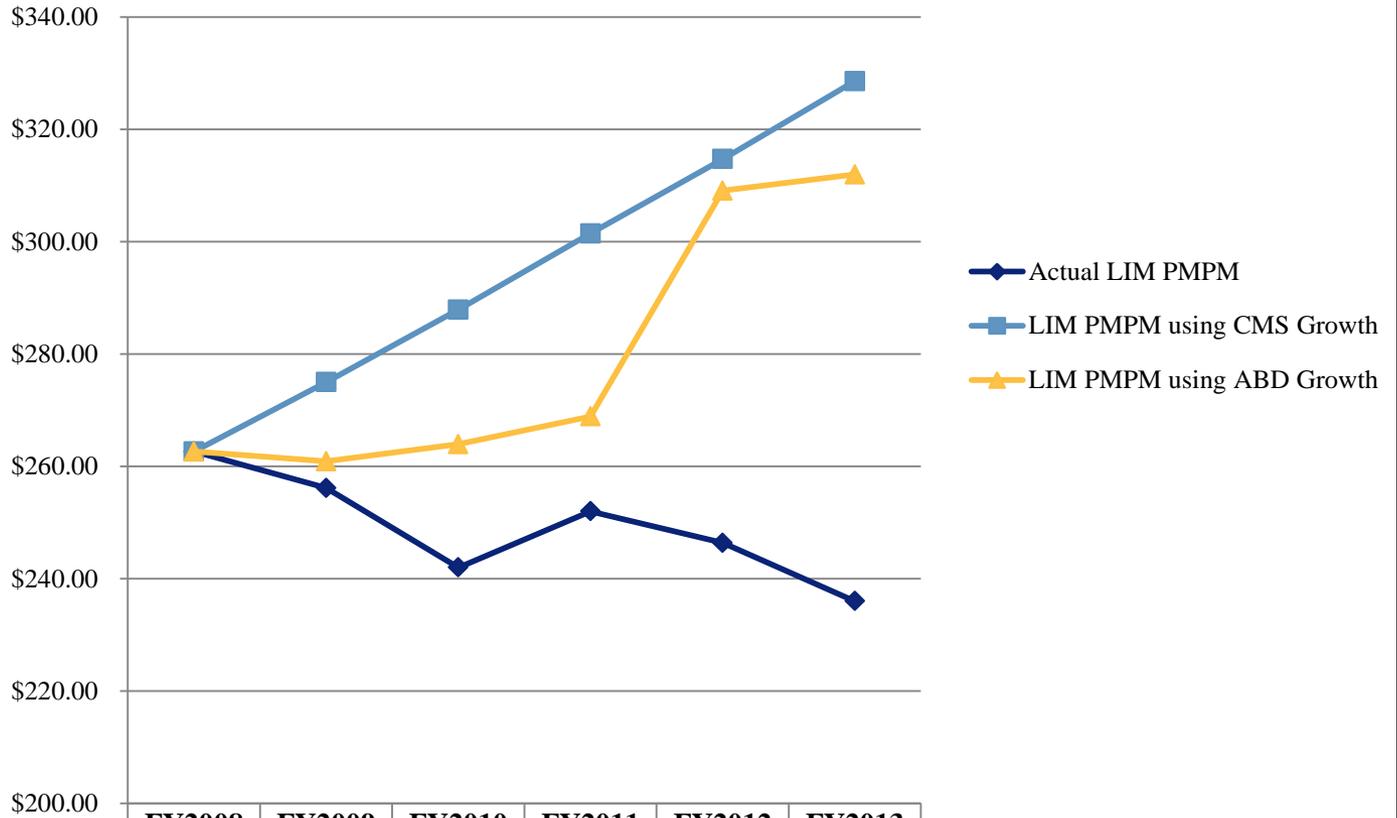
Source: Dr. Dubberly, Chief – Medical Assistance Plans; “GA Medicaid and PeachCare for Kids”; 2013 Joint Study Committee on Medicaid Reform; Sept., 23, 2013

# Georgia Lowest Per Enrollee Cost Trend in U.S.

<b>MMRR 2011</b>	<b>Average Annual Growth in per Enrollee Spending</b>
<b>Region/State</b>	<b>2004–2009</b>
<b>United States</b>	<b>2.3%</b>
<b>Georgia</b>	<b>-2.7%</b>

Source: Centers for Medicare & Medicaid Services—Office of the Actuary;  
Medicare & Medicaid Research Review - 2011: Volume 1, Number 4

## Georgia Low Income Medicaid (LIM) Per Member Per Month (PMPM) Costs FY2008-FY2013



	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
Actual LIM PMPM	\$262.65	\$256.17	\$242.00	\$252.00	\$246.38	\$236.01
LIM PMPM using CMS Growth	\$262.65	\$274.99	\$287.91	\$301.45	\$314.71	\$328.56
LIM PMPM using ABD Growth	\$262.65	\$260.89	\$263.95	\$268.88	\$309.07	\$311.95

Source: Georgia Department of Community Health; Division of Medical Assistance; December 2013.

# Total 5-Year Savings to Georgia LIM and PCK Enrollment in CMOs

Savings/benefit as high as  
**\$4.33 billion**

Source: Georgia Department of Community Health; Division of Medical Assistance; December 2013.

# North Carolina - Estimated Savings

## Full Risk Coordinated Care Starting FY2017

<b>Acute</b>	<b>Annual Savings</b>	<b>Percent</b>	<b>State Savings</b>	<b>Federal Savings</b>
<b>Inpatient</b>	\$58,063,706	5.0%	\$19,811,336	\$38,252,369
<b>Outpatient</b>	\$43,683,918	2.9%	\$14,904,953	\$28,778,965
<b>Professional</b>	\$51,627,128	2.7%	\$17,615,176	\$34,011,952
<b>Prescription Drugs</b>	\$118,240,965	8.4%	\$40,343,817	\$77,897,148
<b>Other</b>	\$22,323,645	3.1%	\$7,616,828	\$14,706,818
<b>Total Acute</b>	<b>\$293,939,363</b>	<b>4.4%</b>	<b>\$100,292,111</b>	<b>\$193,647,252</b>
<b>Long Term Care</b>				
<b>NF</b>	\$91,886,842	6.7%	\$31,351,790	\$60,535,051
<b>ICF_MR</b>	\$873,447	0.3%	\$298,020	\$575,427
<b>HCBS</b>	\$54,719,567	3.6%	\$18,670,316	\$36,049,251
<b>Total Long Term Care</b>	<b>\$147,479,856</b>	<b>4.7%</b>	<b>\$50,320,127</b>	<b>\$97,159,729</b>
<b>Total Savings Opportunity</b>	<b>\$441,419,219</b>	<b>4.5%</b>	<b>\$150,612,237</b>	<b>\$290,806,981</b>

\* source: Medicaid Reform Advisory Group: A Financial Review 12/5/13 Expenditures SFY2013, Managed Care savings are derived from actuarial consulting studies, and Amerigroup estimates. Medicaid spending is trended forward from FY 2013 to FY 2017 (start date of July 2016) at a 4% rate. These estimates are intended to be an illustration of the size of savings opportunity only.

# Q & A

