SOONERCARE CHOICE PROGRAM INDEPENDENT EVALUATION

THE PACIFIC HEALTH POLICY GROUP
AUGUST 2013

INTRODUCTION

- Andrew Cohen is a founding director of the Pacific Health Policy Group
- PHPG specializes in design, implementation and evaluation of health reform initiatives for publicly-funded populations
- PHPG has assisted over 30 state Medicaid programs since 1994
- In addition to Oklahoma, in the past three years PHPG has worked on Medicaid managed care engagements for public or managed care organization clients in the following states:

Arizona	***California***	***Florida***	***Hawaii***
Kansas	***Kentucky***	***Missouri***	***New Jersey***
New Mexico	***New York***	***Ohio***	***Tennessee***
Texas	***Vermont***		

INTRODUCTION *cont'd*

PHPG was retained to evaluate SoonerCare Choice and address the following:

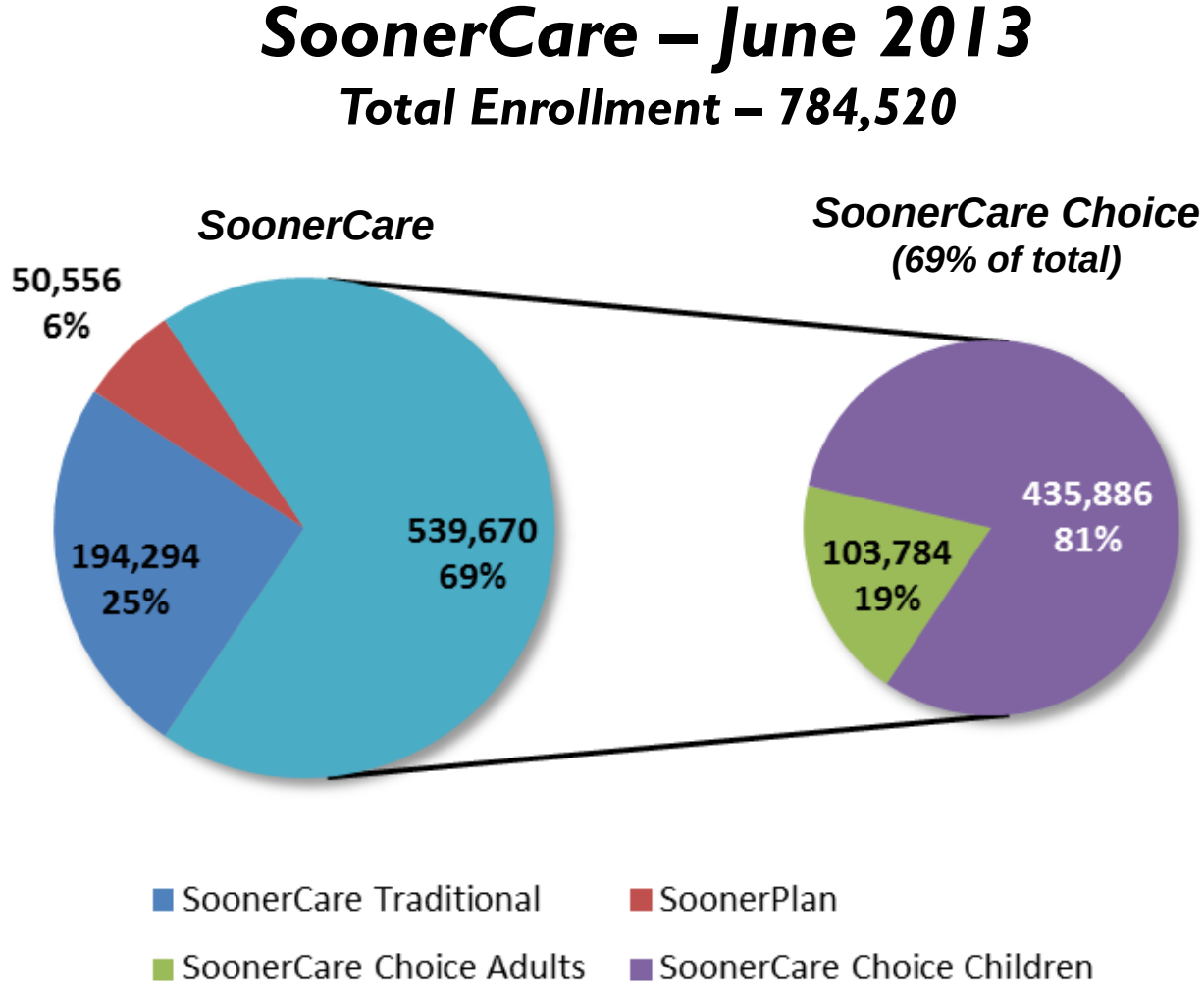
- ***Trends*** - How has SoonerCare Choice performed since 2008 (most recent prior evaluation) on the critical measures of Access to Care, Quality and Cost Effectiveness?
- ***New Initiatives*** – What has been the impact to-date of the Patient Centered Medical Homes and Health Access Networks?
- ***National Perspective*** - How does SoonerCare Choice compare to programs elsewhere in the country, particularly "traditional MCO" managed care?

INTRODUCTION *cont'd*

Overview of Patient Centered Medical Homes

- PCMH model created at the recommendation of a 2007 Medical Advisory Task Force
- PCMH seeks to transform the delivery of primary care through:
  - Interdisciplinary team approach to care coordination
  - Standardization of care in accordance with evidence-based guidelines
  - Tracking of tests and consultations and follow-up after ER visits/hospitalizations
  - Active measurement of quality and adoption of Quality Improvement strategies
- About 70 percent of SoonerCare members are enrolled in SoonerCare Choice and aligned with a PCMH; 80 percent are children

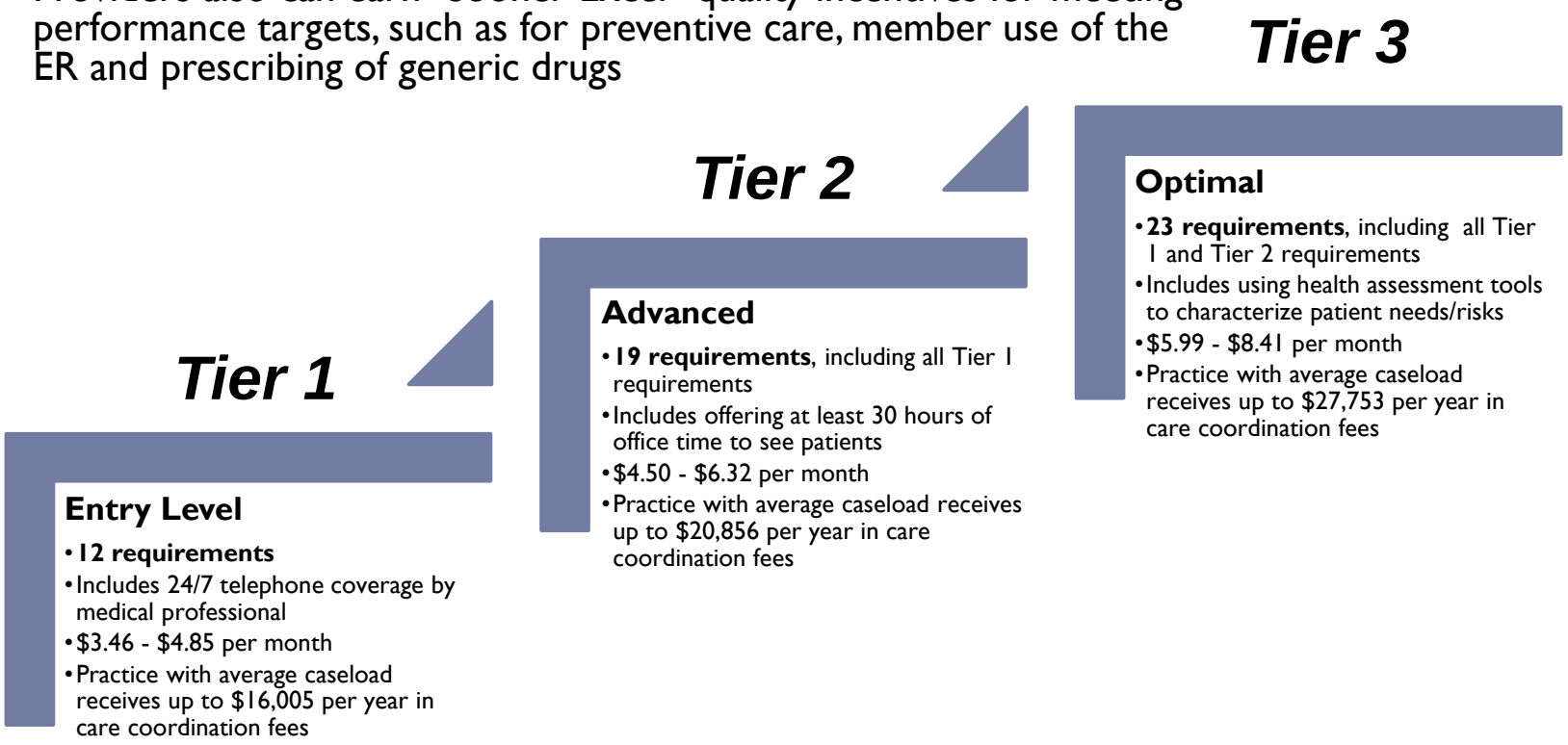
INTRODUCTION *cont'd*



INTRODUCTION *cont'd*

PCMH Tiers

- PCMH includes three tiers with escalating responsibilities and associated per member per month care coordination fees
- Providers also can earn "Sooner Excel" quality incentives for meeting performance targets, such as for preventive care, member use of the ER and prescribing of generic drugs

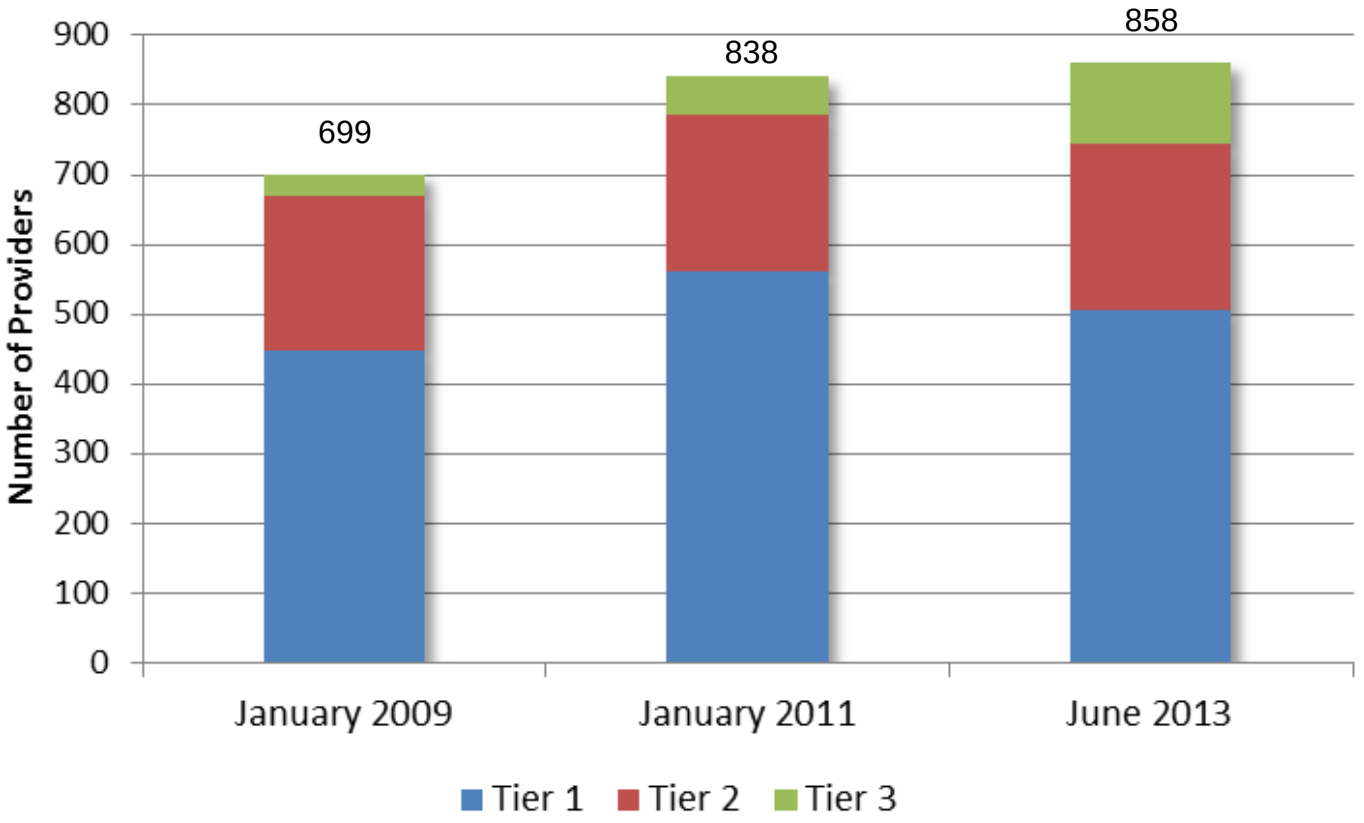


PCMH Practice Participation

- The total number of participating practices increased significantly from 2009 to 2013
- Since 2009, Tier 3 practices, as a percent of total, have increased from six percent to nearly 14 percent
- About 60 percent of SoonerCare Choice members are now enrolled with a Tier 2 or Tier 3 practice

INTRODUCTION *cont'd*

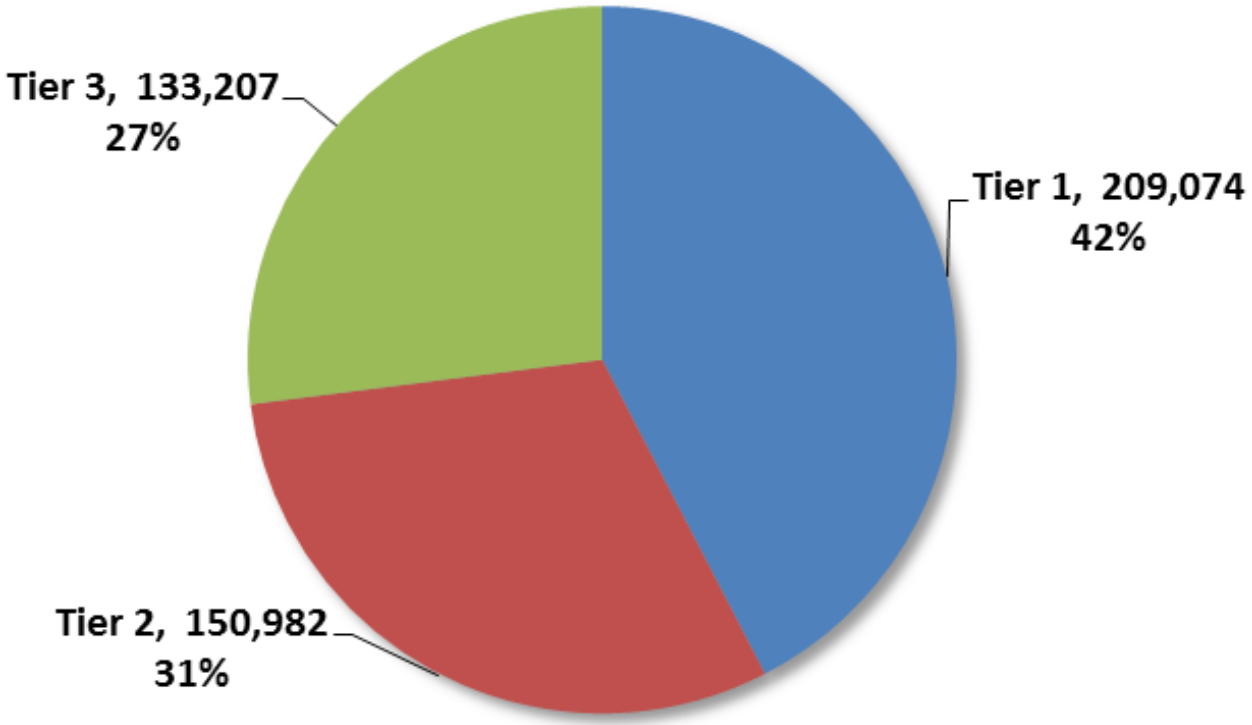
*Participating Practices by Tier Level**



*Notes – Approximately 20 percent of practices surveyed in 2012 reported that their tier level had changed at some point; practices can include multiple providers
Sources: OHCA PCMH roster data; Patient-Centered Medical Home – Survey of SoonerCare-Contracted PCPs

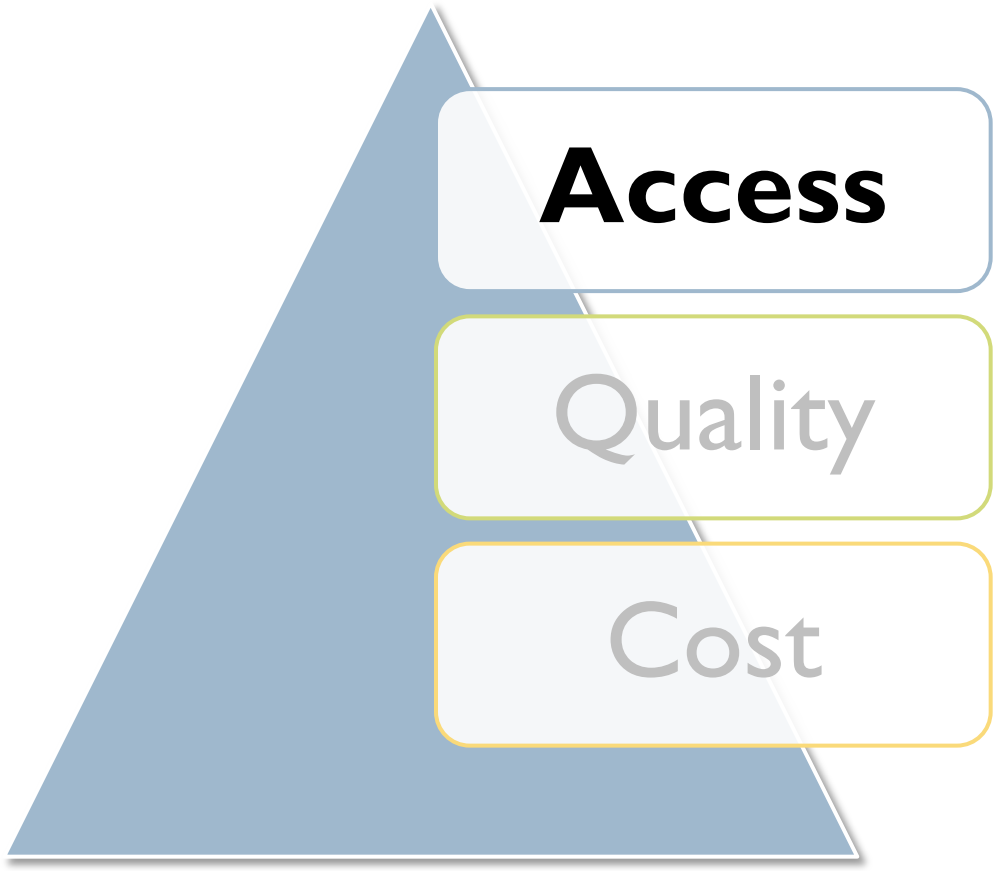
INTRODUCTION *cont'd*

Enrollment by Tier Level – June 2013



Source: June 2013 Fast Facts

SoonerCare Choice Evaluation - TRENDS



TRENDS – ACCESS TO CARE

Evaluation Questions

- Is it easy or difficult to enroll in SoonerCare Choice?
- Once enrolled:
  - Is there an adequate selection of primary care providers?
  - Are services (primary care and specialty) accessible?
- Are members with complex or chronic conditions able to navigate the system?

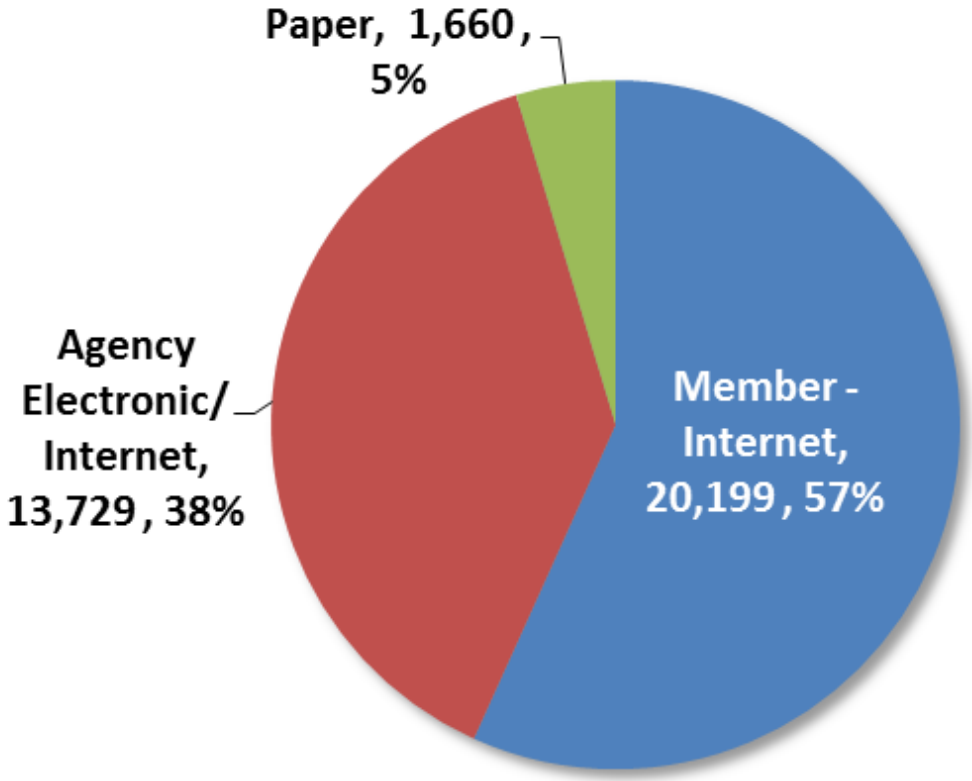
TRENDS – ACCESS TO CARE *cont'd*

Online Enrollment

- Over 30,000 applications for SoonerCare processed each month
- Online enrollment objectives:
  - Provide 24/7 access to enrollment and "real time" determination of eligibility
  - Facilitate selection of a medical home
  - Reduce staff hours required for processing applications
- Online enrollment was launched in September 2010
- Impact was immediate – paper applications have nearly ended

TRENDS – ACCESS TO CARE *cont'd*

Enrollment Method – February 2013 Snapshot



Source: OHCA Online Enrollment Fast Facts

TRENDS – ACCESS TO CARE *cont'd*

Online Enrollment Savings

- PHPG evaluated the "return on investment" for online enrollment by comparing state share of operational costs over the first five years to potential for reallocating caseworker resources
- A separate study was conducted by Mathematica Policy Research of "Express Lane Eligibility" in multiple states, with Oklahoma included as a comparison state
- Both firms estimated annual savings in the initial post go-live period of about **$1.5 million**; PHPG projected the savings would continue to grow in out years, as online enrollment volume increases
- The "savings" represent case worker resources freed-up for other activities, such as assisting individuals applying to DHS for cash assistance or Supplemental Security Income benefits

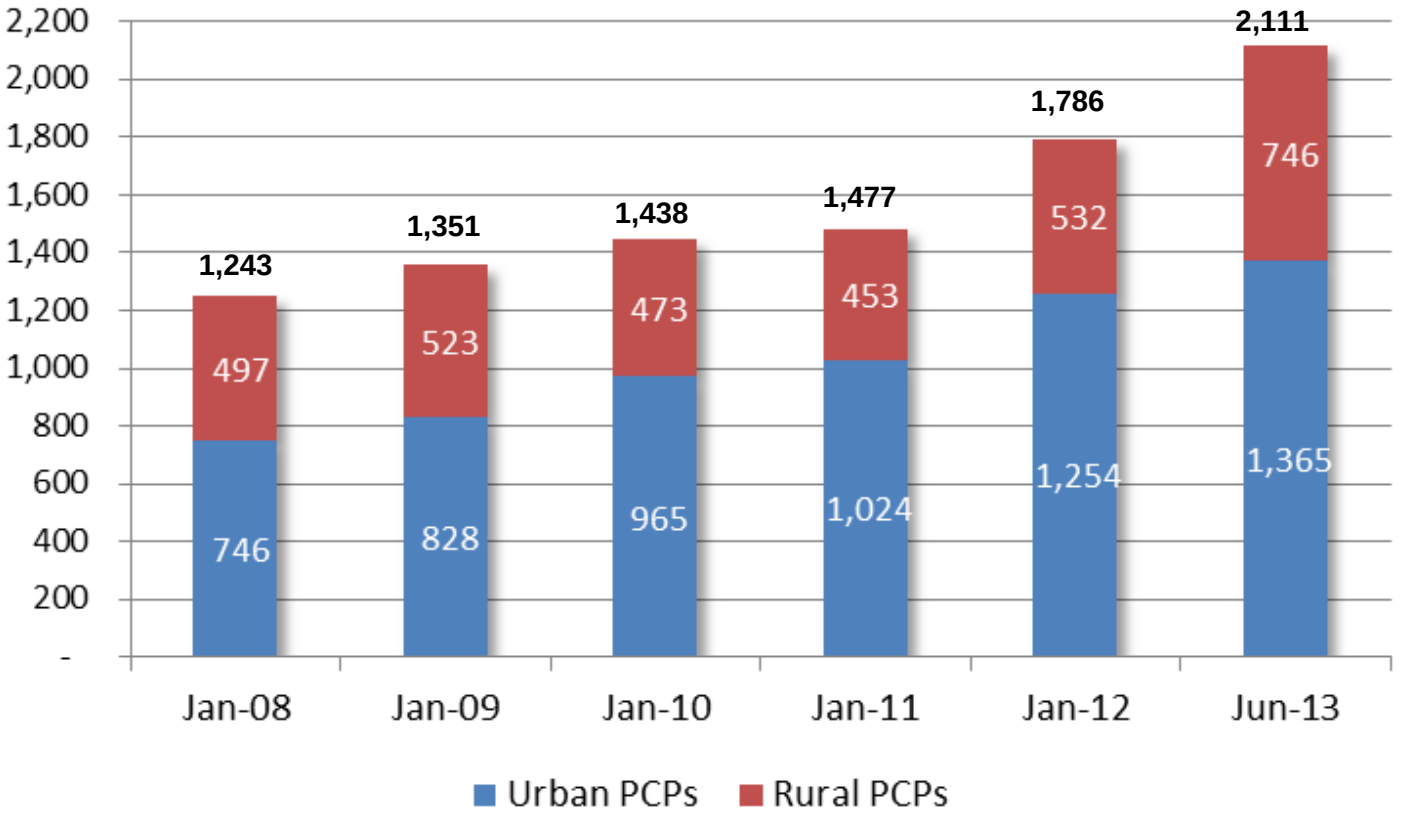
TRENDS – ACCESS TO CARE *cont'd*

Provider Recruitment Strategies

- Primary Care Providers (PCP) are essential to the SoonerCare Choice program and its objective of person-centered care
- In 2009, the OHCA transitioned to the PCMH model, which introduced new PCP accessibility and accountability standards and performance incentives
- PHPG examined trends in PCP participation and the impact on SoonerCare Choice member caseloads per provider
- The number of participating practices has increased significantly, while average caseload size has fallen

TRENDS – ACCESS TO CARE *cont'd*

*Unduplicated PCP (now PCMH) Count by Year**

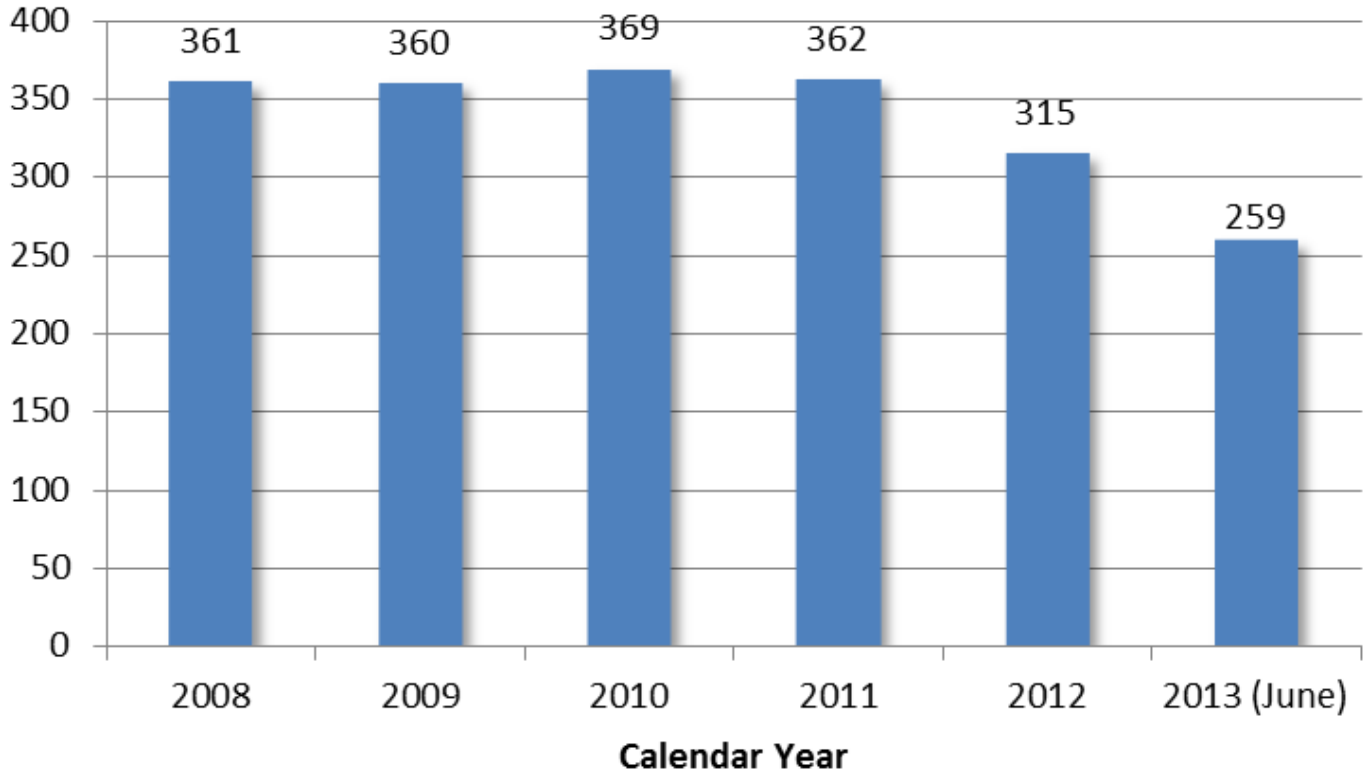


* Urban includes former SC Plus counties. A portion of the increase may be attributable to more precise taxonomy in 2012 - 2013; Cotton County had no PCPs in May 2013

Sources: OHCA Provider Fast Facts Report; KFF.org (total active PCP count)

TRENDS – ACCESS TO CARE *cont'd*

*Average SoonerCare Members per PCP (PCMH)**



* Annualized member count divided by PCP count (2013 enrollment as of May)

Sources: OHCA Provider Fast Facts Report; Waiver Enrollment Reports; Enrollment Fast Facts (May 2013 data)

TRENDS – ACCESS TO CARE *cont'd*

Appointment Availability

- PCP (and specialist) capacity must translate into appointment availability or members will bypass in favor of the emergency room
- SoonerCare Choice members are routinely surveyed on their ability to see their personal doctor and specialists
- PHPG evaluated appointment availability through
  - Review and trending of published survey data
  - Analysis and trending of total SoonerCare Choice emergency room utilization

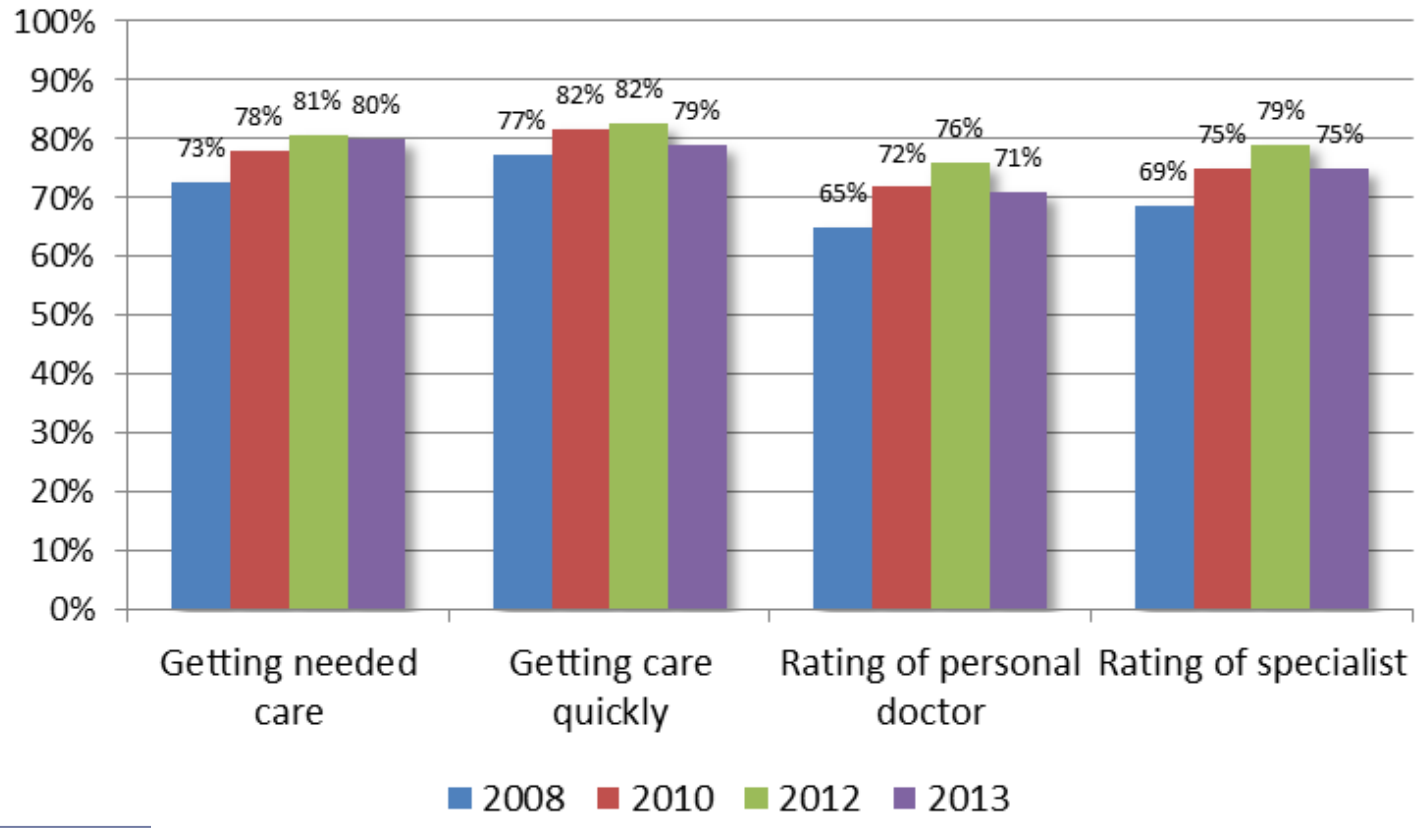
TRENDS – ACCESS TO CARE *cont'd*

Member Satisfaction

- Consumer Assessment of Healthcare Providers and Systems survey (CAHPS)
- Satisfaction with adult services increased from 2008, though it dipped slightly in the most recent survey
- Satisfaction with services for children has shown an uninterrupted rise

TRENDS – ACCESS TO CARE *cont'd*

*Satisfaction with Care for Adults**

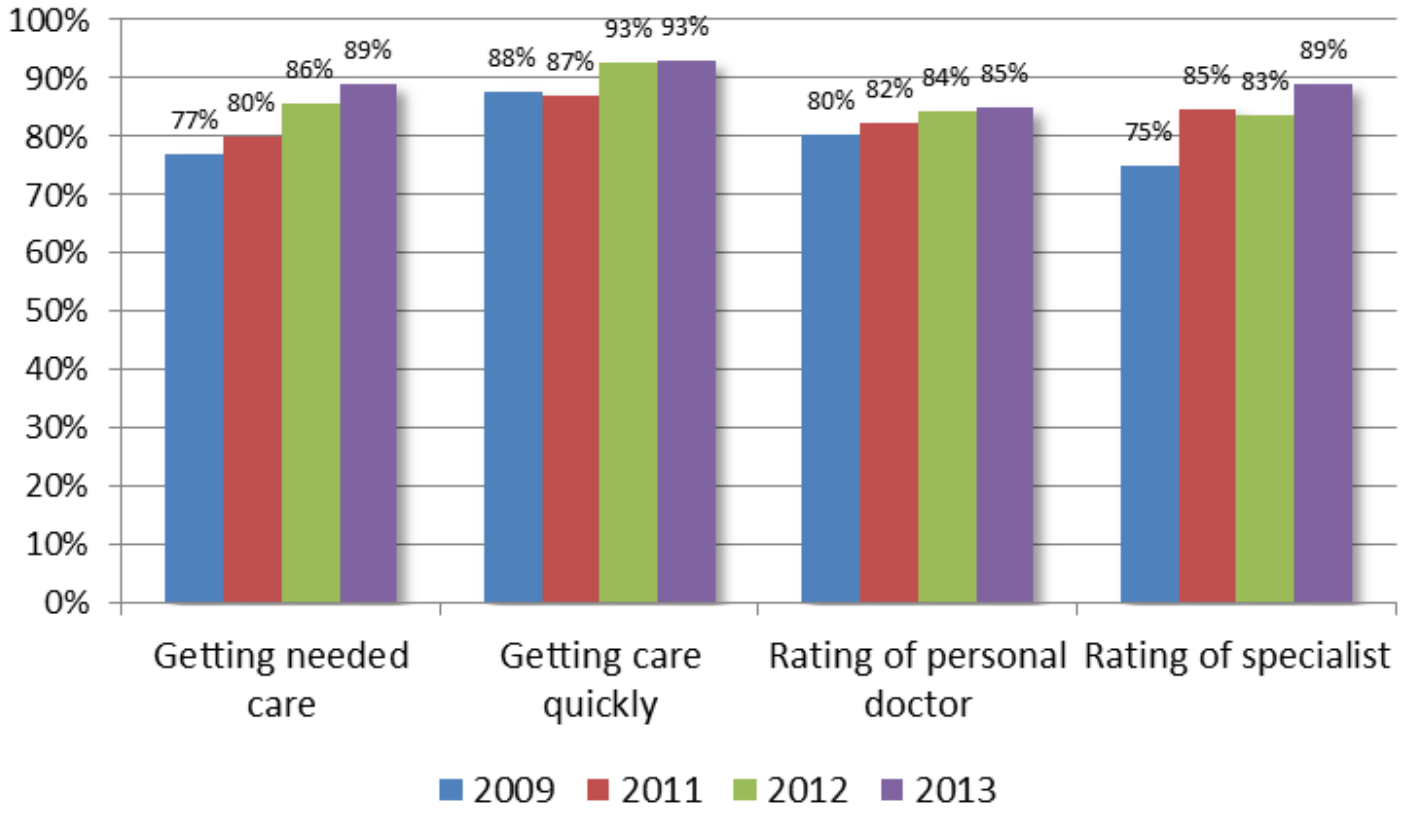


* Percent rating 8, 9 or 10 on a 10-point satisfaction scale; "Getting care quickly" is a composite measure based on questions regarding satisfaction with obtaining needed care, both urgent and non-urgent

Sources: CAHPS Health Plan Survey Adult Version – Telligen through 2012; Morpace for 2013 (surveys are conducted from July to December of year preceding reporting year)

TRENDS – ACCESS TO CARE *cont'd*

*Satisfaction with Care for Children**



* Percent rating 8, 9 or 10 on a 10-point satisfaction scale

Sources: CAHPS Health Plan Survey Child Version – Telligen through 2012; Morpace for 2013 (surveys are conducted from July to December of year preceding reporting year)

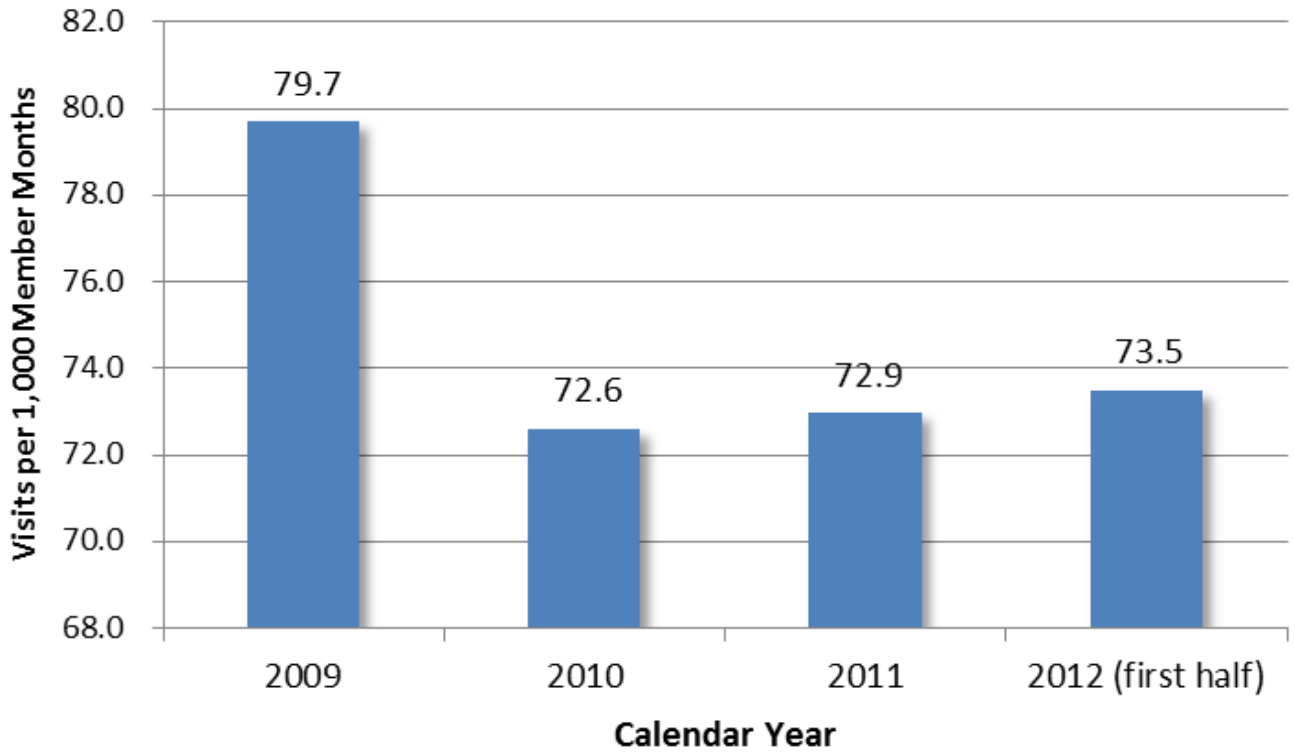
TRENDS – ACCESS TO CARE *cont'd*

Emergency Room Utilization

- Emergency room utilization fell significantly from 2009 to 2010 before plateauing at the lower level
- Drop coincides with introduction of PCMH model
- The OHCA has a successful initiative targeting high ER utilizers
- Health Access Networks also are required to target high ER utilization within their PCMH networks

TRENDS – ACCESS TO CARE *cont'd*

*Emergency Room Utilization per 1,000 Member Months**



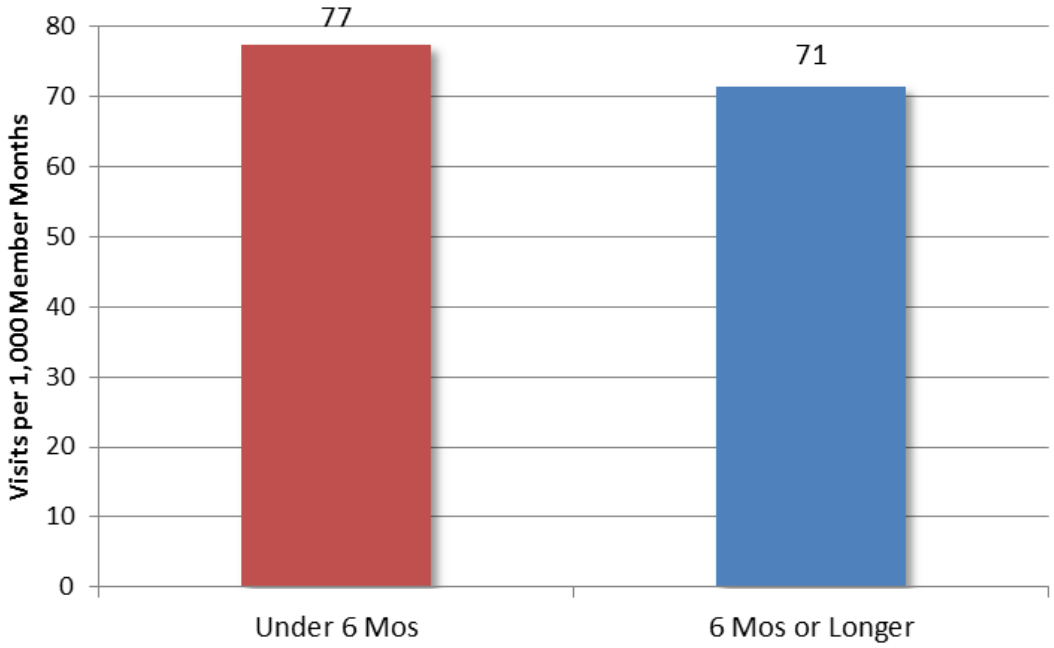
*SoonerCare Choice members enrolled in a Patient Centered Medical Home; 2012 rate includes seasonality adjustment; data excludes dual eligibles whose ER claims are paid by Medicare

Sources: Oklahoma rate derived from analysis of paid claims data; national Medicaid rate reported in Health Affairs

TARGETED EVALUATION - PCMH

Emergency Room Utilization (Per 1,000 Member Months)

- ***Comparison by Tenure***: Members enrolled at least 6 months have lower ER utilization*, suggesting that the impact of PCMH care management increases over time



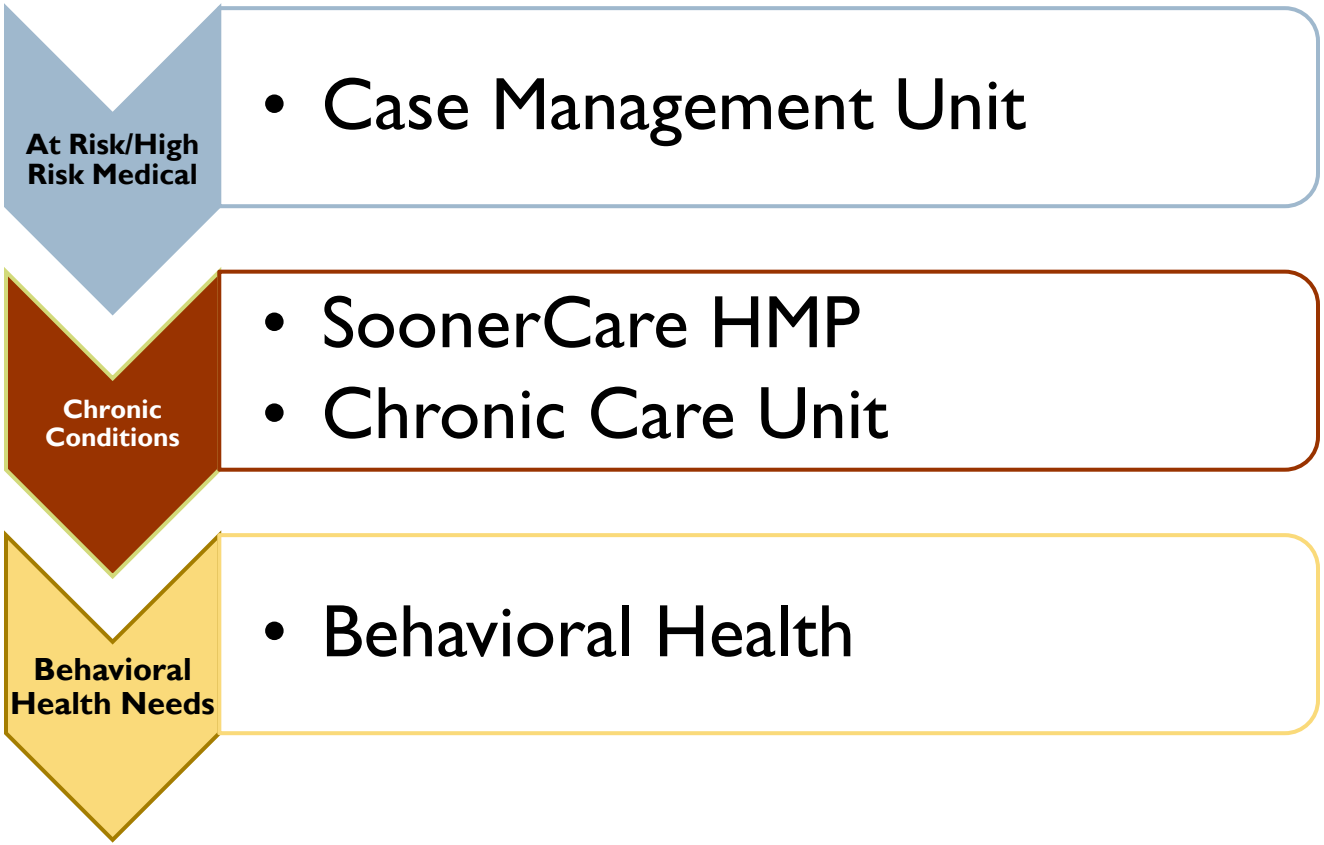
*Note: Average for 2009 – 2012

Source: OHCA paid claims data

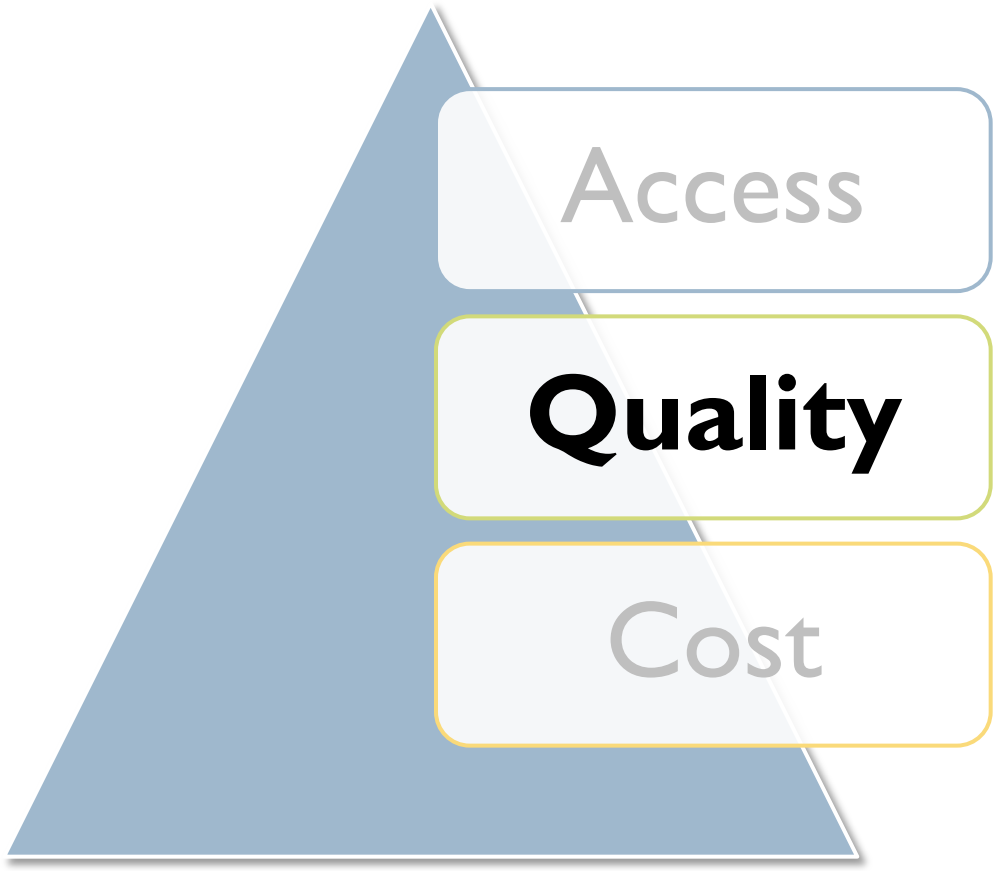
TRENDS – ACCESS TO CARE *cont'd*

Assistance to Members with Complex/Chronic Needs

- The OHCA Population Care Management and BH Departments oversee a needs-based, multi-tiered care management structure



SoonerCare Choice Evaluation - TRENDS



TRENDS – QUALITY OF CARE

Evaluation Questions

- Does the program have mechanisms to measure and reward quality?
- Are members receiving appropriate preventive and diagnostic services?
- Are health outcomes improving?

Preventive and Diagnostic Services

- The OHCA tracks preventive and diagnostic service delivery for SoonerCare Choice through "Healthcare Effectiveness Data and Information Set" (HEDIS®) measures
- PHPG evaluated HEDIS results over time and in comparison to national HEDIS Medicaid MCO rates (where available)
- Measures included:
  - HEDIS Trends: Child/adolescent access to PCPs
  - HEDIS Trends: Adult access to preventive services
  - HEDIS Trends: Annual dental visit rates for members under 21
  - HEDIS Trends: Breast and cervical cancer screening rates

TRENDS – QUALITY OF CARE *cont'd*

HEDIS Trends

- SoonerCare Choice has achieved improvement in child/adolescent access to PCPs since 2008
- The SoonerCare Choice access rate is higher than the national rate for all groups

HEDIS Measure	2008	2009	2010	2011	2012	Change 2008 -12	National Rate
Child access to PCP, 12-24 months	94.1%	96.2.%	97.8%	97.2%	96.6%	↑**2.5%**	96.1%
Child access to PCP, 3-6 years	83.1%	86.9%	89.1%	88.4%	90.1%	↑**7.0%**	88.2%
Child access to PCP, 7-11 years	82.7%	87.6%	89.9%	90.9%	91.7%	↑**9.0%**	89.5%
Adolescent access to PCP, 12-18 years	81.4%	85.8%	88.8%	89.9%	91.6%	↑**10.2%**	87.9%

Source: Oklahoma Health Care Authority (OHCA) for Oklahoma HEDIS® results and National Committee for Quality Assurance (NQCA) for national Medicaid HMO rates. Reporting years represent results for activity in the prior year

TRENDS – QUALITY OF CARE *cont'd*

HEDIS Trends

- Annual dental visit rates for members under 21 have improved modestly and reached 64 percent in 2012
- Adult access to preventive/ambulatory services also has improved and is over 80 percent for members 20 – 44 and over 90 percent for members 45 - 64

HEDIS Measure	2008	2009	2010	2011	2012	Change 2008 -12	National Rate
Annual dental visit under 21 years	59.7%	62.1%	60.2%	62.0%	64.0%	↑4.3%	--
Adult access to preventive/ ambulatory services, 20 – 44 years	78.4%	83.3%	83.6%	84.2%	83.1%	↑4.7%	--
Adult access to preventive/ ambulatory services, 45 – 64 years	86.8%	89.7%	90.9%	91.1%	91.0%	↑4.2%	--

Source: Oklahoma Health Care Authority (OHCA) for Oklahoma HEDIS® results and National Committee for Quality Assurance (NQCA) for national Medicaid HMO rates. Reporting years represent results for activity in the prior year

TRENDS – QUALITY OF CARE *cont'd*

HEDIS Trends

- The exceptions to the broader positive trends are breast and cervical cancer screening rates
- Both rates are down slightly from 2008 and below the national rate
- Recommended screening age raised for mammograms and recommended cervical screening intervals lengthened in 2012 (both nationally) after several years of review; may have contributed to flat/declining trend

HEDIS Measure	2008	2009	2010	2011	2012	Change 2008 -12	National Rate
Breast cancer screening rate	38.3%	43.0%	41.1%	41.3%	36.9%	↓1.4%	50.4%
Cervical cancer screening rate	44.4%	46.6%	44.2%	47.2%	42.5%	↓1.9%	66.7%

Source: Oklahoma Health Care Authority (OHCA) for Oklahoma HEDIS® results and National Committee for Quality Assurance (NQCA) for national Medicaid HMO rates. Reporting years represent results for activity in the prior year

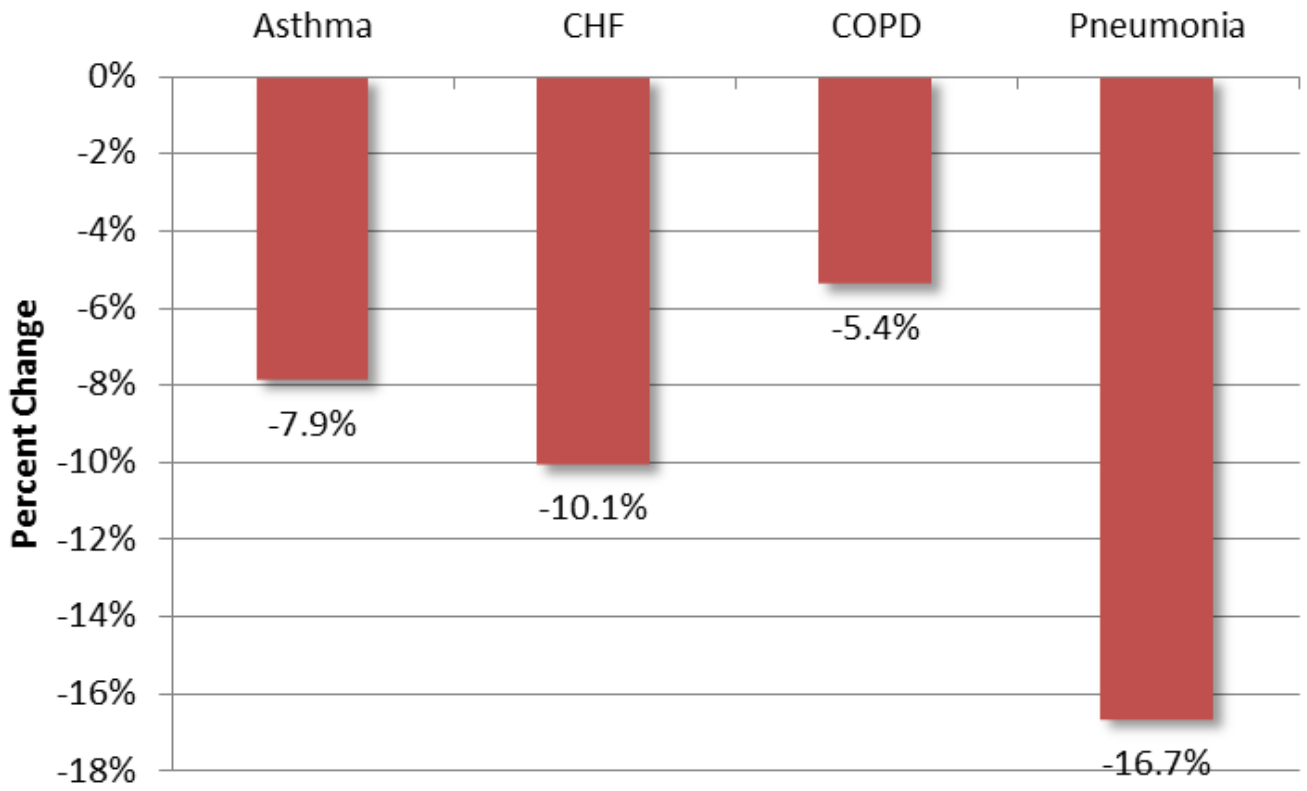
TRENDS – QUALITY OF CARE *cont'd*

Avoidable Hospitalizations

- Avoidable hospitalization rate is an effective indicator of the quality of ambulatory health care for persons with complex and chronic conditions
- PCMH and SoonerCare Choice care management activities are both directed in part to ensuring access to the right care in the right setting
- PHPG used paid claims data to evaluate the avoidable hospitalization rate among SoonerCare Choice members with Asthma, CHF, COPD and Pneumonia (based on admitting diagnosis)
- The rate fell for all four conditions from 2009 to 2012

TRENDS – QUALITY OF CARE *cont'd*

*Avoidable Hospitalization Rate**



*SoonerCare Choice members enrolled in a Patient Centered Medical Home

Source: OHCA paid claims

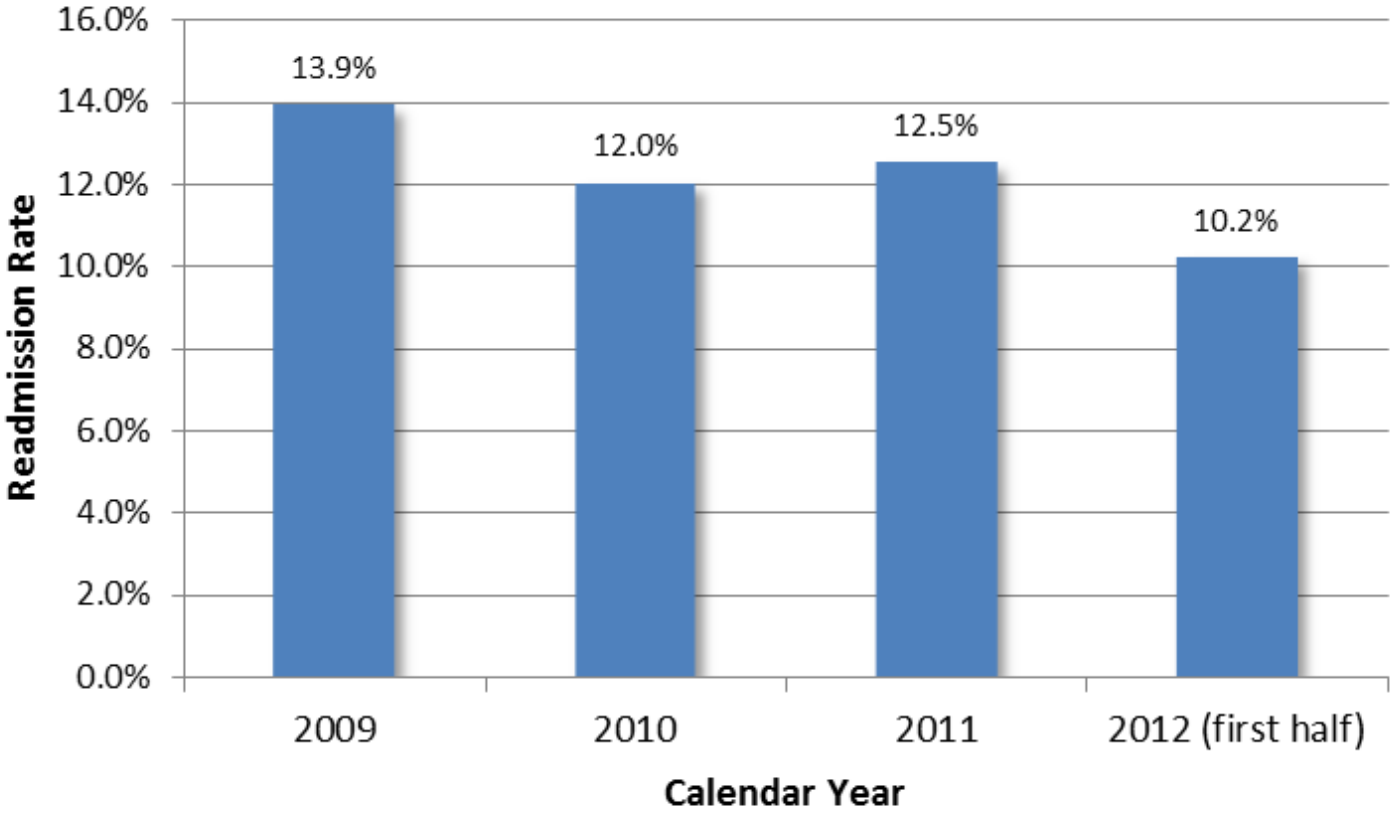
TRENDS – QUALITY OF CARE *cont'd*

Hospital Readmissions

- The hospital 30-day readmission rate is an effective indicator of discharge planning activities, PCP post-discharge care and SoonerCare Choice case management
- PHPG used paid claims data to evaluate the 30-day readmission rate for 2009 – 2012 (first six months)
- The rate declined by 26 percent from 2009 - 2012

TRENDS – QUALITY OF CARE *cont'd*

*Hospital 30-Day Readmission Rate**



*SoonerCare Choice members enrolled in a Patient Centered Medical Home
Source: OHCA paid claims

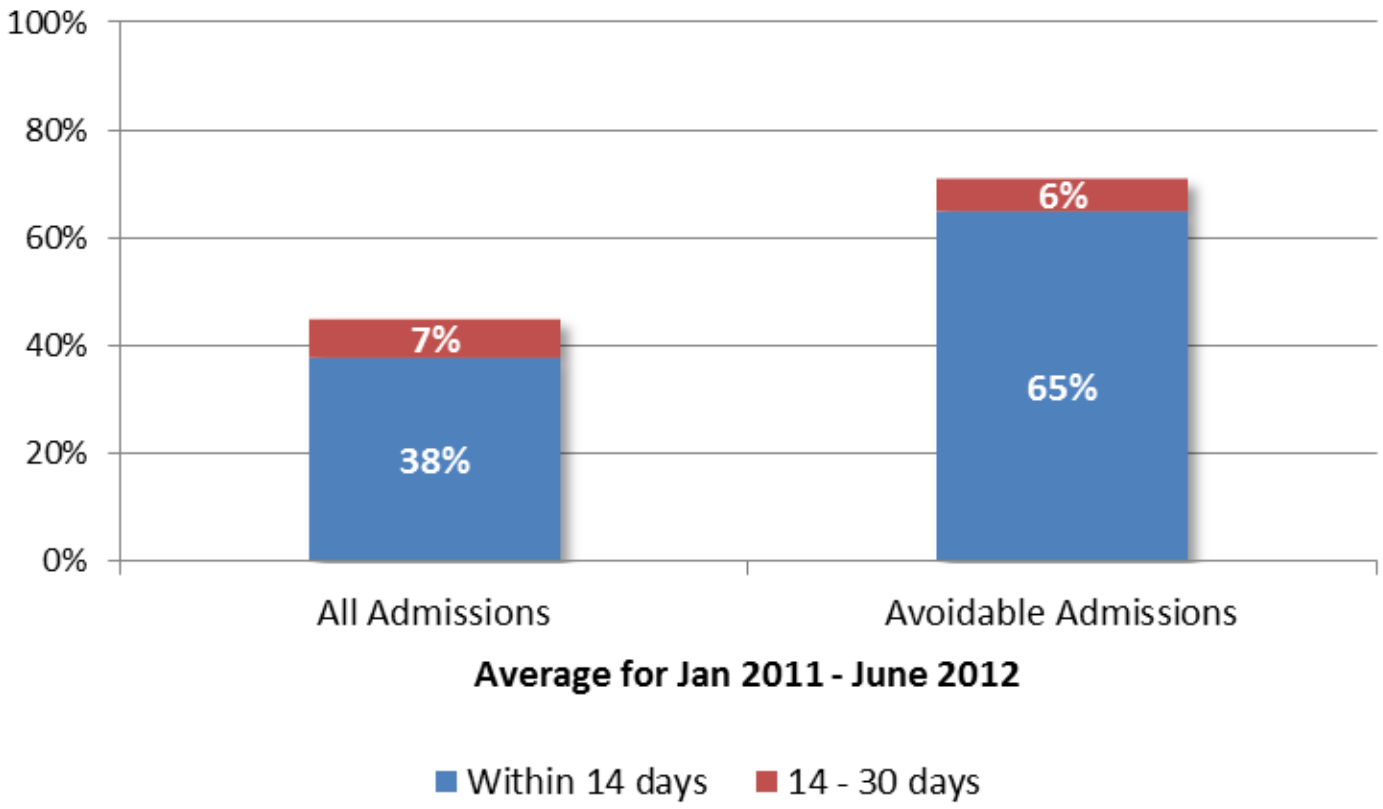
TRENDS – QUALITY OF CARE *cont'd*

Post-Discharge Visit to PCMH

- The post-discharge visit rate to the PCMH is an indicator of PCMH care management activity
- PHPG used paid claims data to evaluate the 14- and 30-day visit rates in 2011-2012 (first six months)
- PHPG evaluated all inpatient stays and stays for avoidable hospitalizations
- The post discharge PCMH visit rate for avoidable hospitalization events was over 70 percent

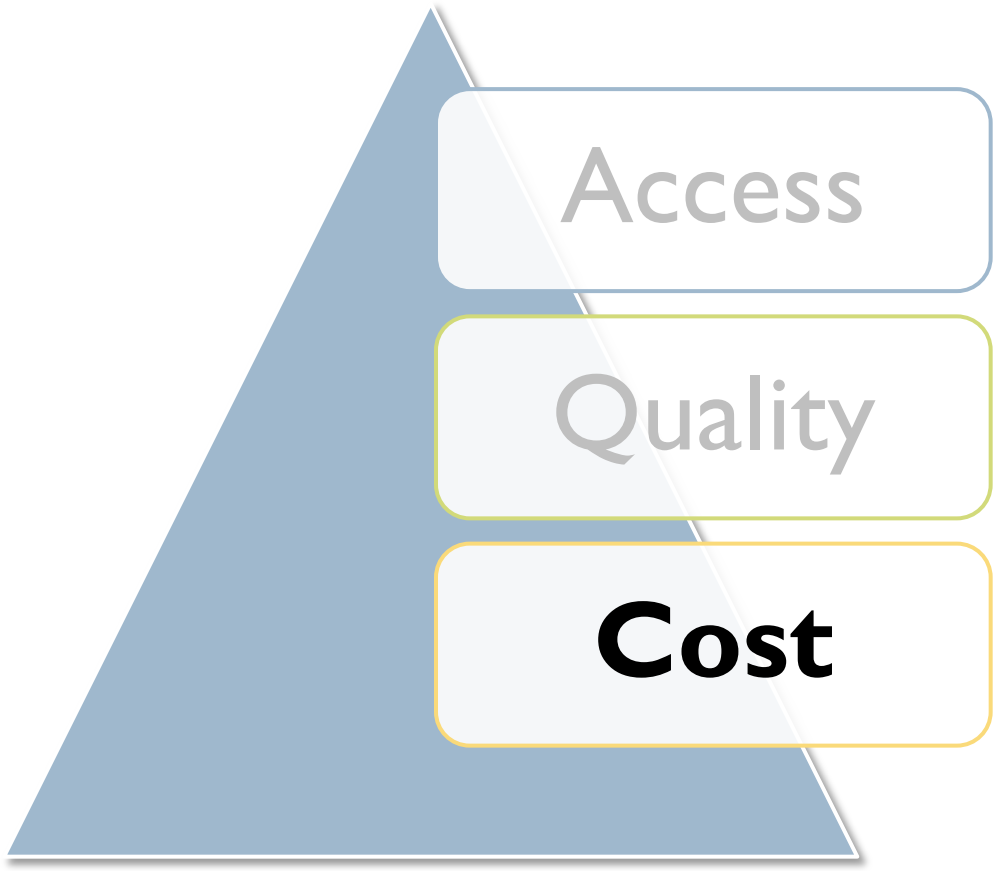
TRENDS – QUALITY OF CARE *cont'd*

*Visit to PCMH Post-Discharge**



*SoonerCare Choice members enrolled in a Patient Centered Medical Home
Source: OHCA paid claims

SoonerCare Choice Evaluation - TRENDS



TRENDS – COST EFFECTIVENESS

Evaluation Questions

- Is the SoonerCare program cost effective in terms of health care expenditures?
- Is the SoonerCare program cost effective in terms of administrative expenses?

TRENDS – COST EFFECTIVENESS *cont'd*

Health Expenditures

- Improved program performance must be cost effective to be sustainable
- PHPG used paid claims data to calculate per member per month expenditures for SoonerCare Choice members for the period Jan 2009 to June 2012
- PHPG also evaluated SoonerCare Choice expenditures against the national health care inflation rate

TRENDS – COST EFFECTIVENESS *cont'd*

Health Expenditures

- PMPM health expenditures for SoonerCare Choice members* rose modestly from 2009 – 2012, increasing an average of 1.4 percent per year
- During the same period, per capita national health expenditures increased by an average of 3.2 percent per year

SoonerCare Choice Member PMPM Expenditures

Admitting Diagnosis	2009	2010	2011	2012 (First 6 Mos.)	Avg. Annual Change
ABD (non-duals)	$863	$851	$848	$862	↓0.0%
TANF/Other	$205	$199	$206	$225	↑3.2%
TOTAL	$274	$264	$277	$286	↑1.4%

*Note – Data is for members assigned to a PCMH
Source: OHCA paid claims data

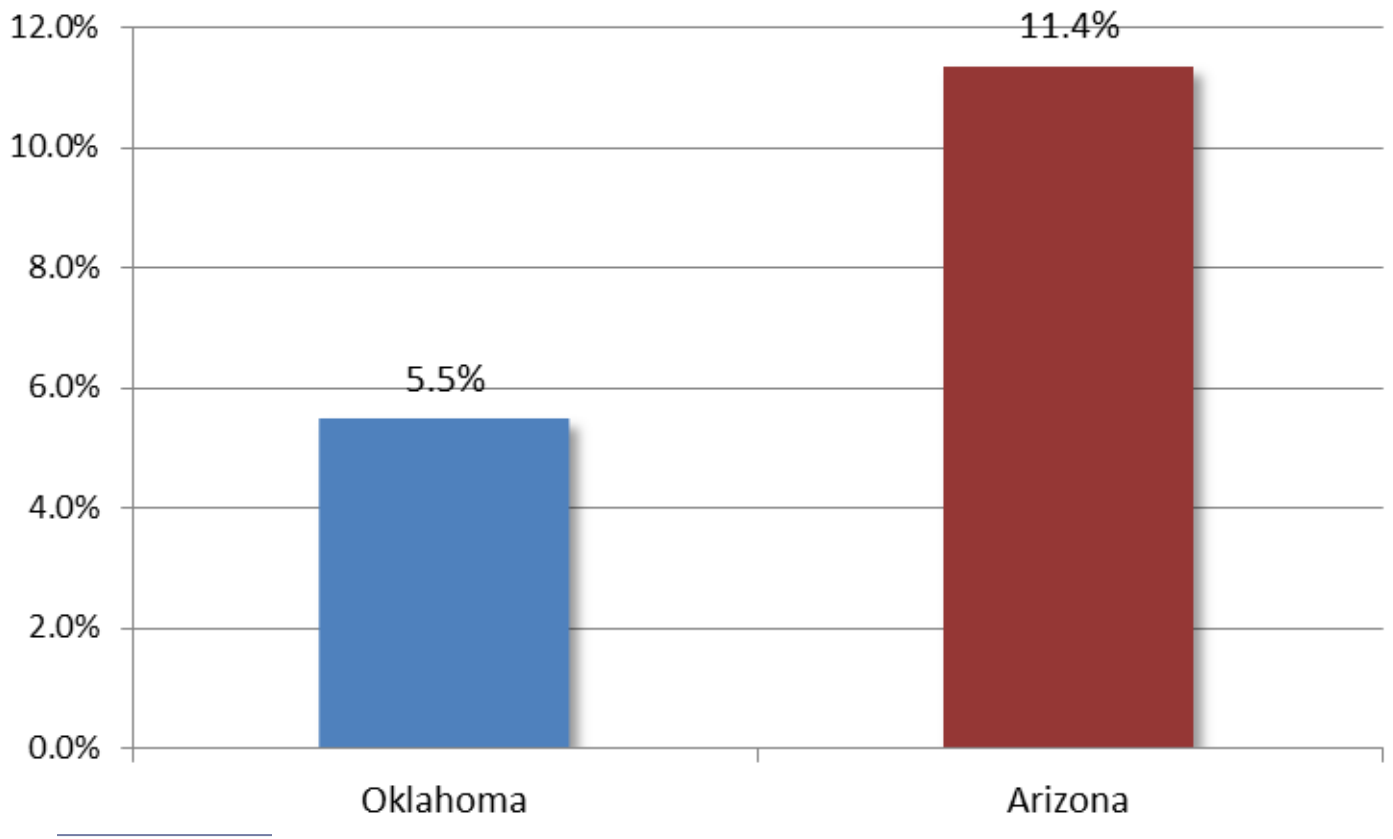
TRENDS – COST EFFECTIVENESS *cont'd*

Administrative Expenditures

- The OHCA contracts for some care management activities (e.g., SoonerCare HMP) but otherwise operates as a state managed care plan
- This structure enables the agency to devote a larger share of expenditures to the delivery of care
- States with MCO contracts can have slightly lower agency costs but the difference is offset by administrative costs incurred by the managed care organizations
- A national survey of 94 Medicaid MCOs found that 11.6 percent of capitation on average went to administration and an additional 1.3 percent was retained as profit
- PHPG compared Oklahoma to Arizona, which enrolls all Medicaid beneficiaries into MCOs

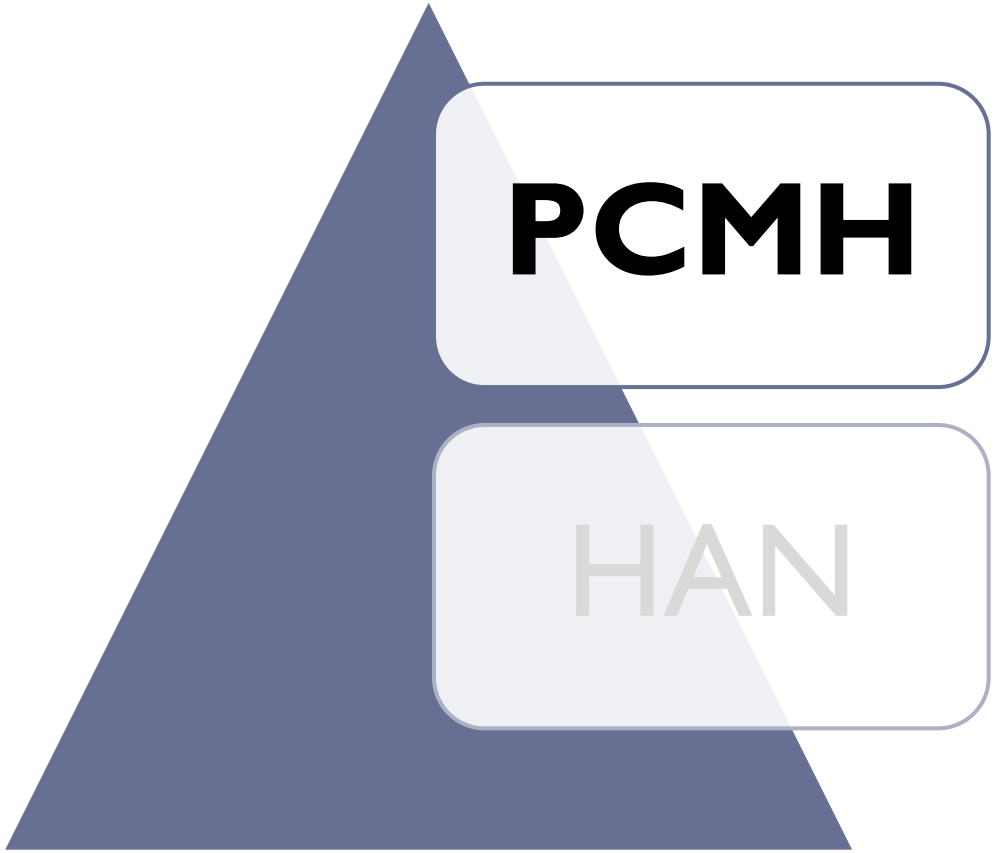
TRENDS – COST EFFECTIVENESS *cont'd*

*Administrative Cost Comparison – OK and AZ**



Sources: OHCA 2012 Annual Report; Arizona AHCCCS FY 2013 budget

SoonerCare Choice Evaluation – NEW



TARGETED EVALUATION - PCMH

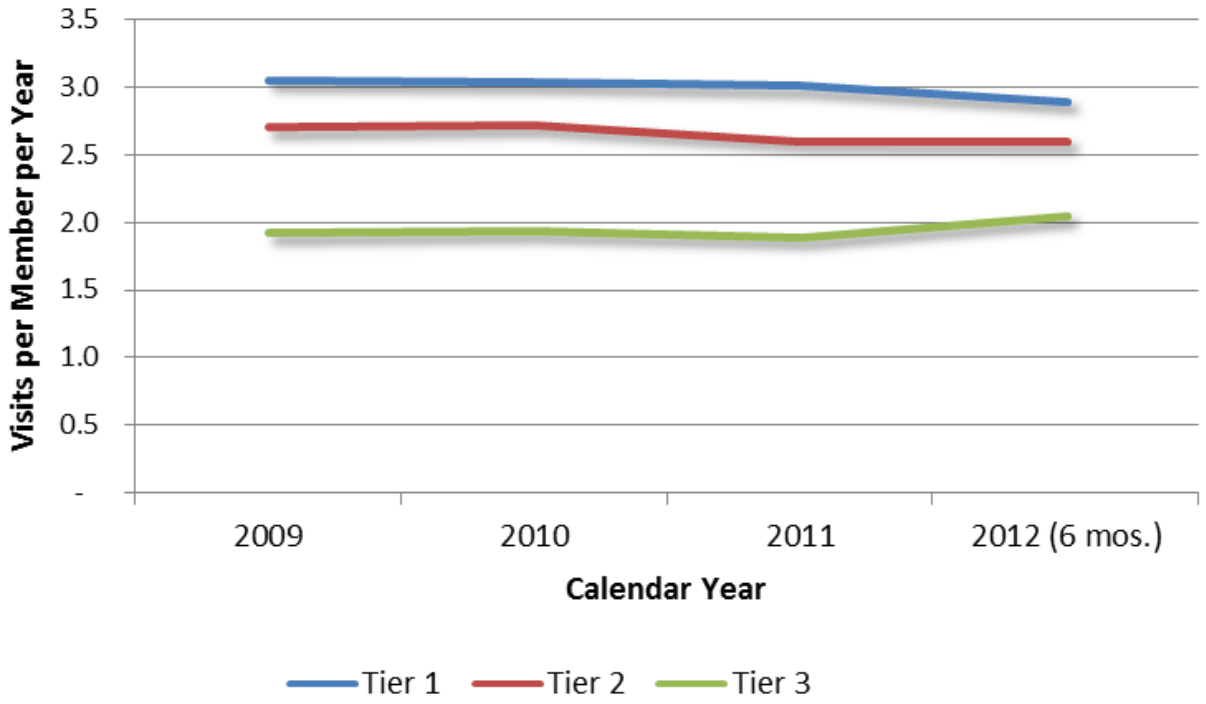
PHPG Targeted Evaluation

- PHPG conducted an evaluation of the early impact of PCMH through an analysis of paid claims data overall and by tier for Jan 2009 – June 2012
- The early results are encouraging in the aggregate
- Results at the Tier level are more ambiguous at this stage
- Tier 3 results should be reviewed with caution due to small number of providers, many of whom only recently attained Tier 3 status

TARGETED EVALUATION - PCMH

PCMH Visit Rates (Per Member Per Year)

- ***Overall Trend***: Rate has averaged slightly above 2.5 visits per year
- ***Difference by Tier***: Tier 1 has been consistently higher and Tier 3 has been consistently lower, though the gap has begun to narrow

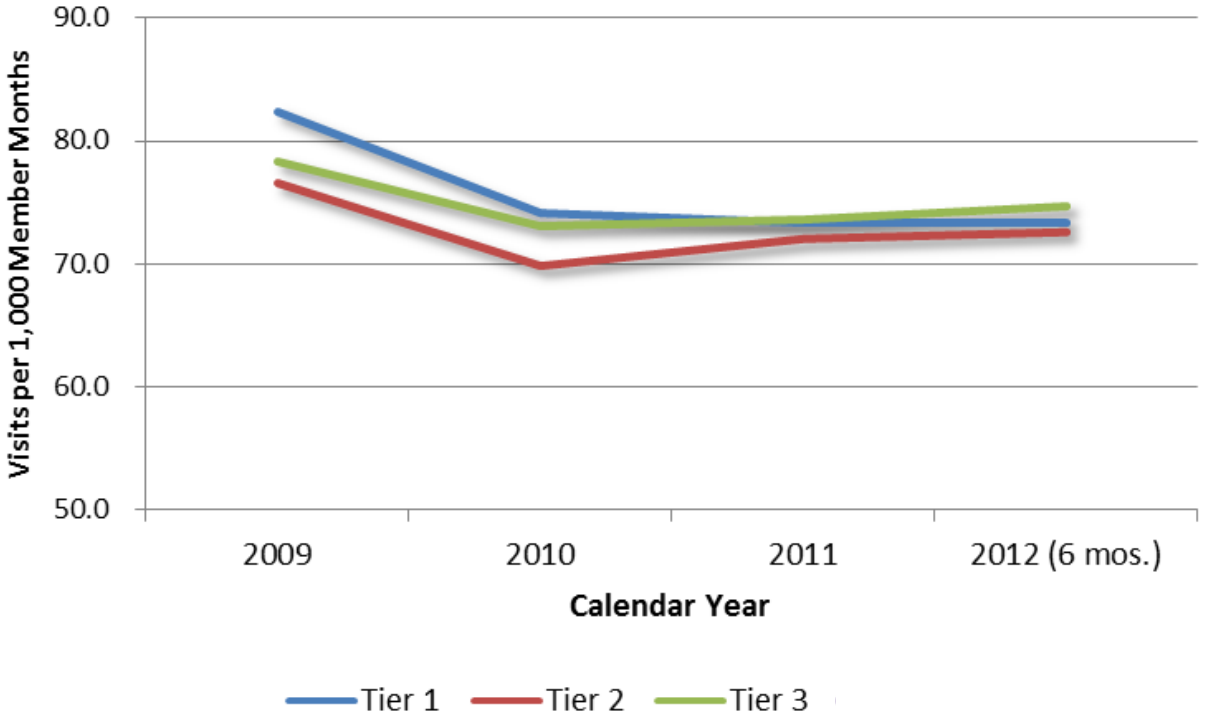


Source: OHCA paid claims data

TARGETED EVALUATION - PCMH

Emergency Room Utilization (Per 1,000 Member Months)

- ***Overall Trend***: Rate declined from 2009 – 2010 and has remained nearly flat
- ***Difference by Tier***: The rate is nearly identical across tiers

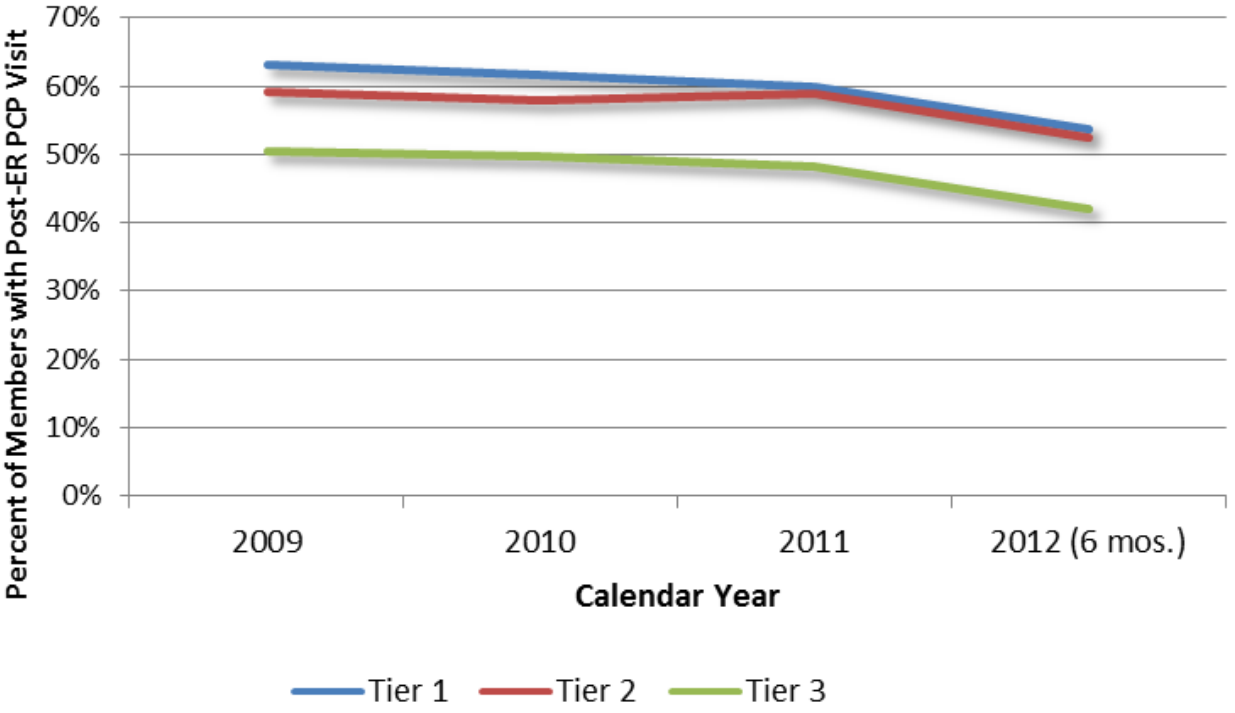


Source: OHCA paid claims data

TARGETED EVALUATION - PCMH

Follow-up visit with PCMH within 30 days of ER encounter

- ***Overall Trend***: Over 50 percent of members visiting the ER saw their PCMH at least once within 30 days of an ER encounter, although the rate has declined slightly
- ***Difference by Tier***: Tier 3 members are less likely to have seen their PCMH

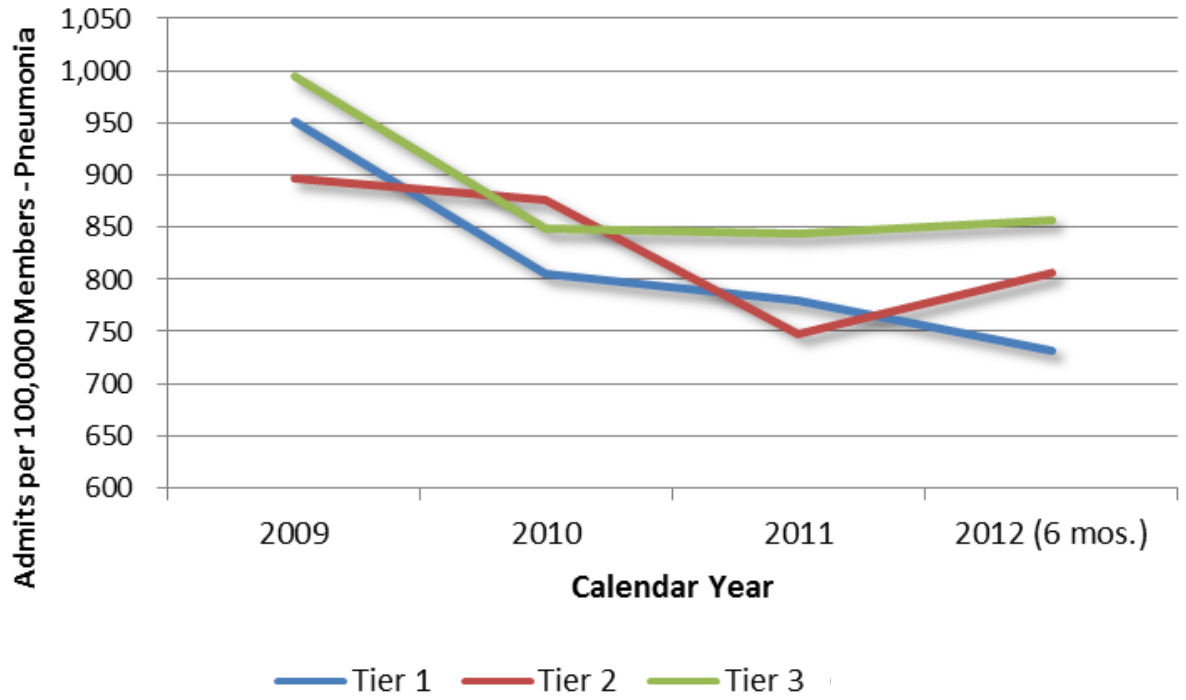


Source: OHCA paid claims data

TARGETED EVALUATION - PCMH

Avoidable Hospitalization Rate

- ***Overall Trend***: Avoidable hospitalization rate has trended downward for all diagnoses evaluated (chart is for pneumonia)
- ***Difference by Tier***: Tier 3 members generally have slightly higher admission rates

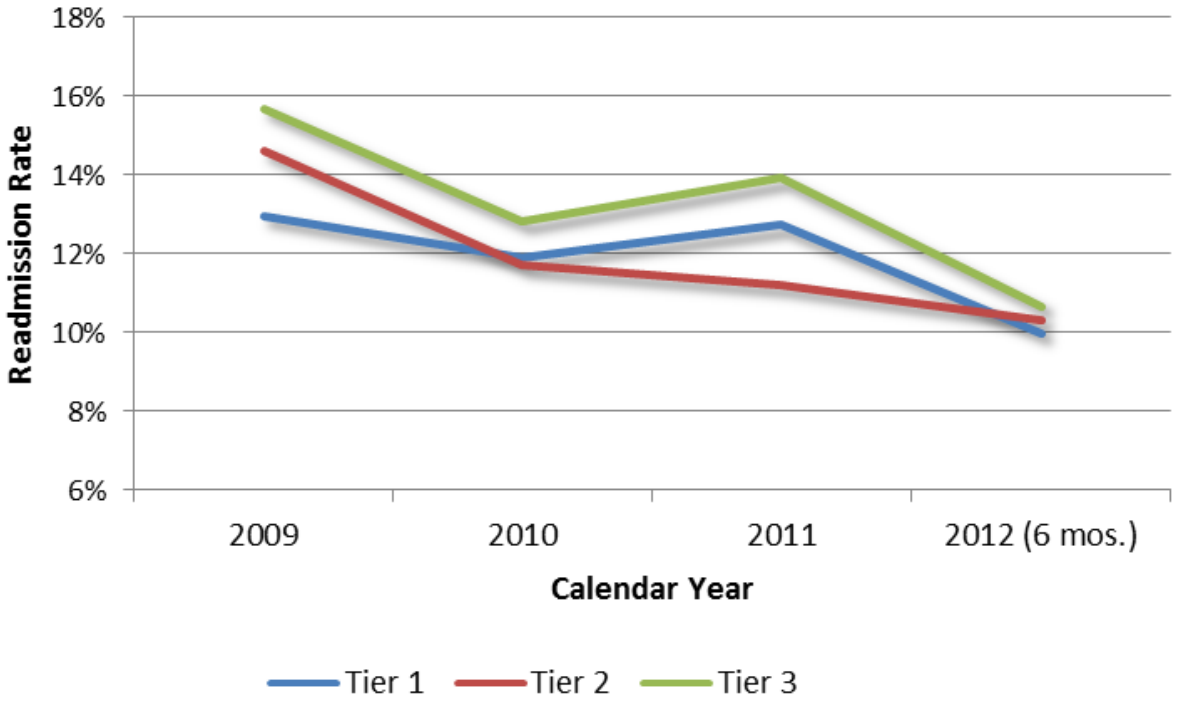


Source: OHCA paid claims data

TARGETED EVALUATION - PCMH

Hospital Readmission Rate within 30 Days of Discharge

- ***Overall Trend***: The readmission rate has been low and generally on the decline, despite an uptick in 2011
- ***Difference by Tier***: Tier 3 members had higher readmission rates from 2009 – 2011 but all tiers converged in 2012



Source: OHCA paid claims data

TARGETED EVALUATION - PCMH

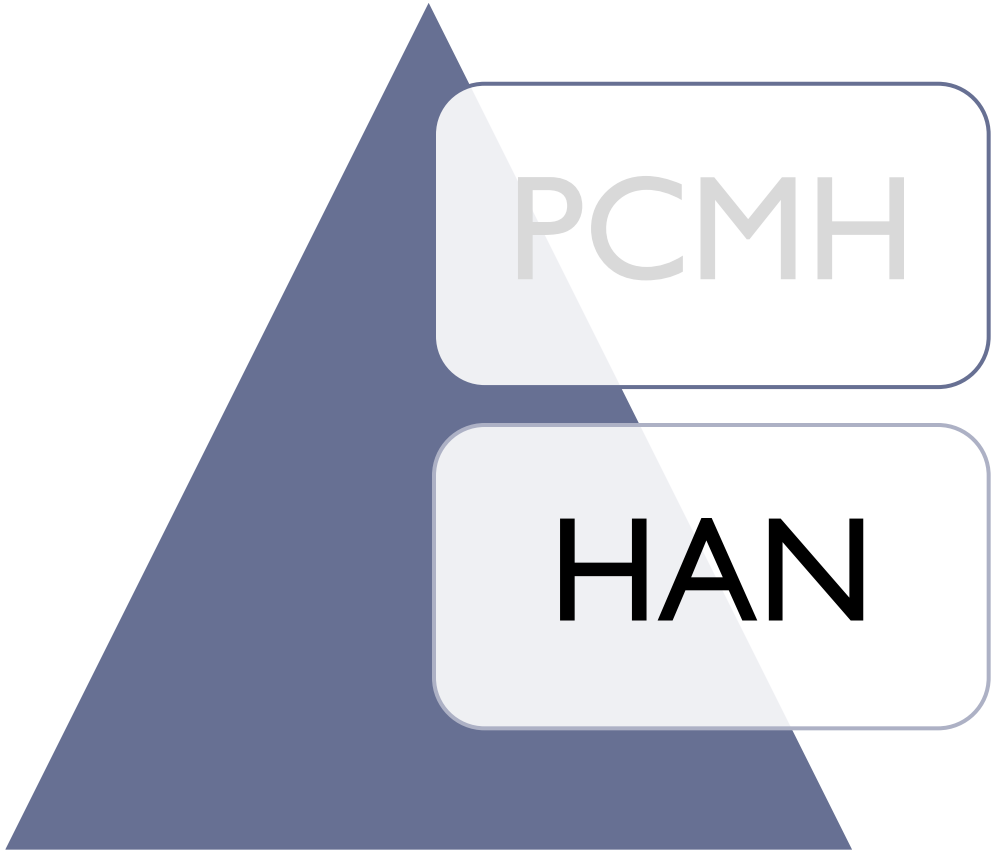
PCMH Impact: Quantifying Return-on-Investment

- The PCMH model appears to be contributing to positive trend lines for the SoonerCare Choice program as a whole
- PCMH intentionally overlaps with, and amplifies that impact of other OHCA initiatives
- For example, ER utilization is addressed through:
  - Broad-based PCMH patient care requirements
  - Targeted interventions with high ER utilizers
  - Holistic care management of high risk members through SoonerCare HMP

PCMH Impact: Provider Tiers

- No clear evidence yet that provider activities or member outcomes differ significantly by tier assignment
- Most program requirements apply across all three tiers and many providers have only recently achieved Tier 2 or 3 status
- OHCA audit findings indicate that providers are striving to meet or exceed PCMH requirements
- *"I provide excellent care regardless of tier." – respondent to 2012 OU PCMH provider survey*

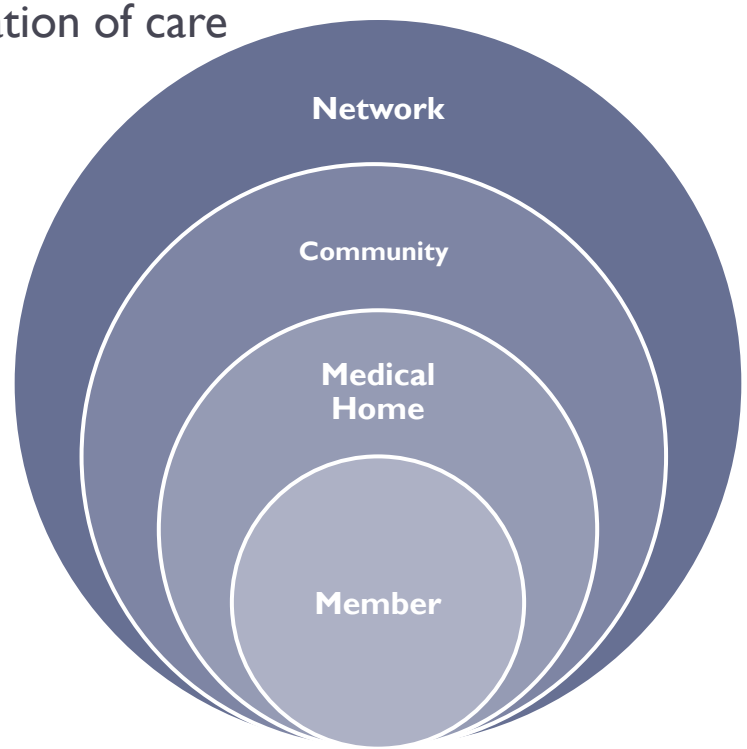
SoonerCare Choice Evaluation – NEW



TARGETED EVALUATION - HAN

Overview

- The Health Access Network model expands on the PCMH by creating community-based, integrated networks intended to:
  - ***Increase*** access to health care services
  - ***Enhance*** quality and coordination of care
  - ***Reduce*** costs



TARGETED EVALUATION - HAN

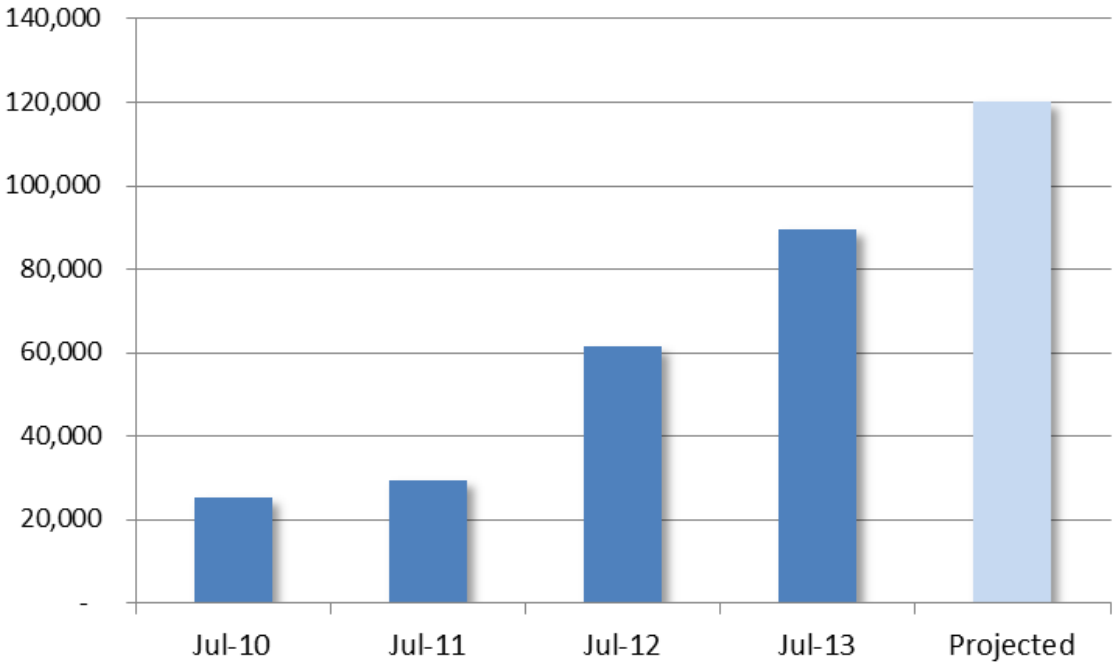
Overview

- The HAN model was launched in 2010 and includes:
  - Canadian County (Partnership for a Healthy Canadian County)
  - OSU Center for Health Sciences
  - OU Sooner
- The HANs receive an additional $5.00 PMPM in return for their care management duties, which include offering telemedicine and other specialty care assistance to PCMH providers (also co-managing SoonerCare HMP members prior to July 2013)
- PHPG evaluated HAN membership growth and HAN performance in comparison to all PCMH providers

TARGETED EVALUATION - HAN

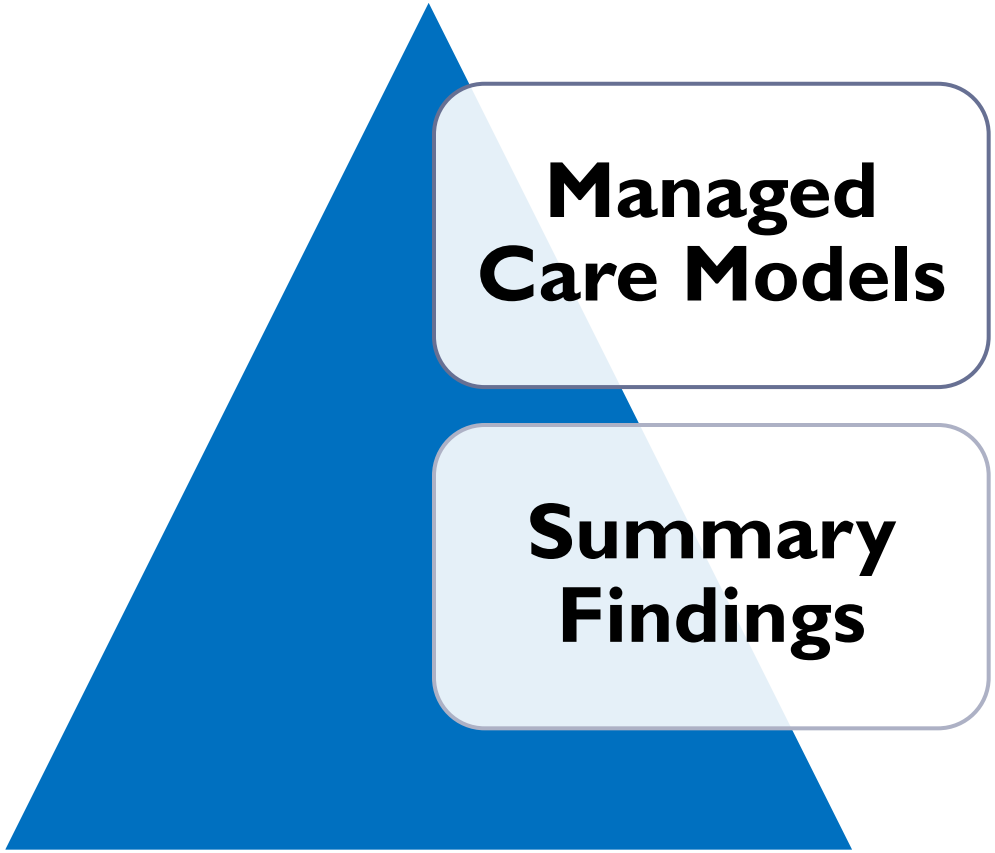
HAN Enrollment (all sites)

- HAN enrollment has increased significantly since 2010 and is projected to continue to grow
- PHPG will evaluate HAN impact when SFY 2013 data is available



Source: OHCA enrollment and payment data for historical; OHCA projection

FINAL OBSERVATIONS



Managed Care Organization (MCO) Model

- The majority of states introducing or expanding managed care have done so through MCO contracts
- Among Oklahoma's neighbors, Missouri, Kansas, New Mexico and Texas contract with MCOs, including for ABD members and long term care (Missouri is TANF only)
- The industry is undergoing consolidation and a small number of commercial MCOs increasingly dominate
- Seven large plans (Aetna, Anthem Blue Cross, Centene, Health Net, Molina, United, WellCare) have combined enrollment of 6.2 million lives
- These MCOs can bring expertise from existing markets into states implementing or expanding managed care (e.g., Kansas)

MCO Model *cont'd*

- However, market consolidation and reliance on commercial MCOs also has meant:
  - Significant controversy and protests during procurements, on occasion resulting in significant delays (e.g., Ohio program)
  - Willingness on the part of contractors to depart states if profit expectations are not met (e.g., Florida and Kentucky programs)
  - The need for states to "graft" quality and payment reforms onto MCO contracts (e.g., PCMH and Health Homes)
  - Trade-off for states between accepting relatively high administrative expenses in exchange for establishing distinct standards/processes or defaulting to national contractor preferences

Community-Based Systems of Care

- A smaller number of states, like Oklahoma, have developed programs that:
  - Combine community-based systems of care with support at the state level in the form of chronic care/health management and quality initiatives (either directly administered or purchased)
  - Use market-based incentives to drive and reward holistic, cost-effective care
- Examples of programs similar in concept to SoonerCare Choice include:
  - California – CalOptima Program (Orange County)
  - North Carolina – Community Care of NC/ACCESS
  - Vermont – Global Commitment to Health

FINAL OBSERVATIONS – MANAGED CARE MODELS

Managed Care Models – Comparison of Features

Component	SoonerCare	MCO Model
Contracted Network	*Yes*	*Yes*
Patient Centered Medical Homes	*Yes*	*Yes*
Provider Pay-for-Performance	*Yes*	*Yes*
Member Education	*Yes*	*Yes*
Medical/Case Management	*Yes*	*Yes*
Chronic Care/Health Management	*Yes*	*Yes*
Quality Improvement Initiatives	*Yes*	*Yes*
Program Oversight/Administration	*State*	*Shared*
Stability	*High*	*Variable*
Administrative Expense	*5.46%*	*10%+*

FINAL OBSERVATIONS - SUMMARY

- The SoonerCare Choice program continued to demonstrate improved performance with respect to quality and access from 2009 – 2012
- Health care inflation for SoonerCare Choice members has averaged less than two percent per year since 2009
- Recent initiatives, including PCMH and HAN, are contributing to the overall success of the program
- The PCMH model does not yet show positive differentiation by provider tier; however, the program is still relatively new and Tier 3 enrollment was initially very low
- SoonerCare Choice has fostered innovation while exhibiting greater stability for members and providers than programs operating under an MCO model