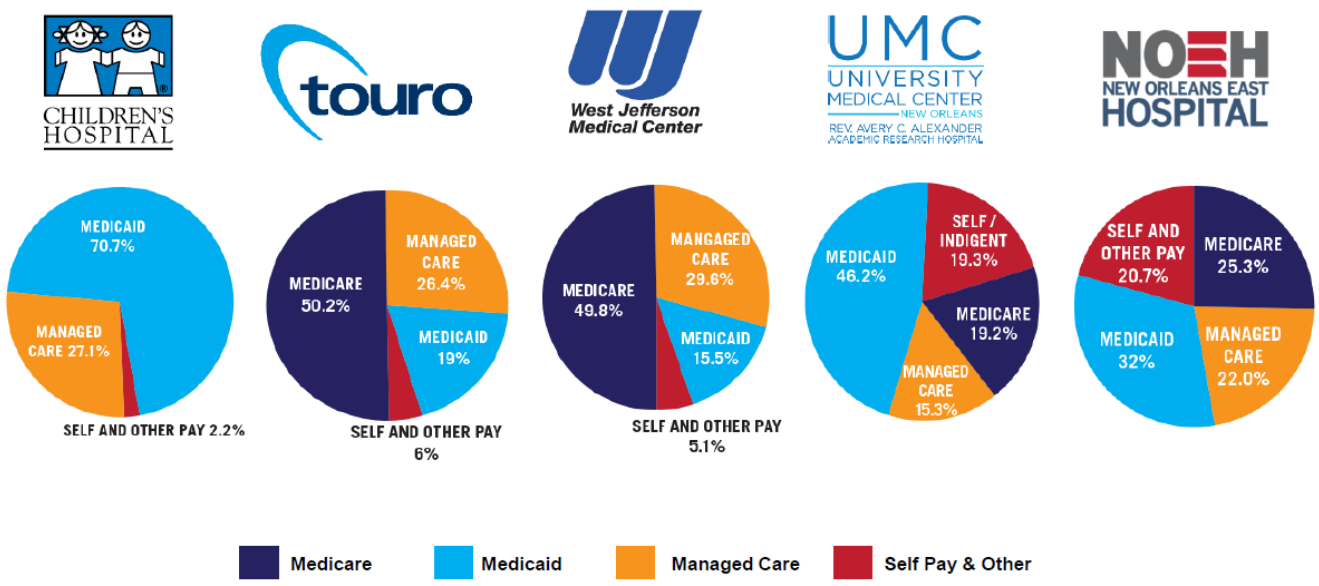
RFP Response: *Paving the Way to a Healthier Louisiana: Advancing Medicaid Managed Care*

- **Organization Name:** LCMC Health
- **Type of Organization:** Health System
- **Geography:** New Orleans region

Introductory Comments:

LCMC Health is dedicated to serving the Medicaid population.

The five LCMC Health hospitals are located in the greater New Orleans area in Orleans and Jefferson Parishes. Four of the hospitals primarily serve the adult population and range in Medicaid payor mix from 15.5% to 46.2%. LCMC Health is home to the only stand-alone children's hospital in the region and 70.7% of the children cared for at that facility are Medicaid patients.



In addition, LCMC Health has a strong base of 38 employed primary care physicians and 40 employed pediatricians that take care of the Medicaid population in the New Orleans area. Currently these employed primary care physicians have over 11,000 Medicaid lives under their management and the pediatricians are responsible for 25,000 Medicaid lives. There are an additional estimated 75,000 adult Medicaid lives and 42,000 pediatric Medicaid lives attributed to LCMC Health's aligned community physician partners that receive their downstream care at LCMC facilities.

Regardless of what health care reform happens in the future, providing care to the Medicaid population will continue to be a priority at LCMC Health and area of expertise. LCMC Health is dedicated to

effectively managing Medicaid patients and will do so through a value based care approach. In 2017 LCMC Health entered into a long-term partnership with Lumeris, the Best in KLAS value based managed services firm, to create a robust population health services organization within LCMC. The population health services organization represents a very significant multi-year investment in resources and infrastructure that focus specifically on establishing dedicated governance and leadership, developing care management programs, network and provider engagement, finance and contracting, and population health information systems capabilities. The population health services organization is the fuel that drives the success and growth of our clinically integrated network (CIN). LCMC Health's CIN - called **LCMC Healthcare Partners -** is a primary care physician driven, all-payer and all population capable network.

LCMC Health's goal is to make population health management a core business of LCMC serving 150,000+ covered lives (adult and pediatric) by 2020. Critical to the success of **LCMC Healthcare Partners** will be engaging with the Medicaid MCOs to create sustainable and mutually beneficial value based contracts.

Policy Areas for Stakeholder Input:

A) Limit the Number of Statewide MCOs

Request for input: Please share recommendations on the maximum number of statewide MCOs the state should contract with for Medicaid. The state currently contracts with five Medicaid MCOs.

Response:

The administrative complexities to provider organizations associated with navigating five Medicaid MCOs is inefficient and costly. LCMC Health recommends reducing the number to 2-3 plans to ensure competition and sufficient coverage.

B) Expect MCOs to Operate as Innovators to Achieve the Triple Aim

Request for input: Please share recommendations related to how MCOs could offer innovations to reduce program complexity, administrative burden, and unnecessary costs and to improve care and population health in partnership with providers and patients. Please share recommendations related to how the procurement could best advance evidence-based care and meet the Triple Aim.

Response:

LCMC Health believes that to move beyond fee for service and its related volume oriented incentives requires that fundamental changes be made in the economic and payment models for care delivery and management. The best example of a sustainable payment model from government to MCO is CMS' Medicare Advantage program. The program provides explicit risk adjusted payment per beneficiary to the MCO on a PMPM basis. This structure alone is insufficient to drive change but what it does do is enable the MCO to then contract with provider networks at scale to transfer care delivery performance

risk on a risk adjusted percent of premium PMPM basis. This approach fundamentally allows providers to move away from fee for service and focus on the Triple Aim in a manner that is financially sustainable. It is only with this sort of contracting that access and care can be improved while controlling cost growth.

Building on the comments above, LDH should require the MCOs to collectively invest in solutions that are evidence based and meet the Triple Aim. One suggestion is for them to collectively support wrap-around services for high utilizers to decrease health care system costs and improve health outcomes. For example, the Health Guardians program at UMC for frequent ER fliers has proven to decrease ER utilization, improve health outcomes and save Medicaid dollars. The MCOs should collectively support that program, decreasing costs and improving quality.

C) Enhance Network Adequacy and Access Standards

Request for input: Please offer suggestions for changes in the next Medicaid managed care procurement to enable the Department and its contracted MCOs improve and ensure enrollee ready access to covered services, especially in rural and underserved areas.

- *What types of reporting and monitoring of MCO provider networks would you recommend to better assess the adequacy and timeliness of access to care for Medicaid MCO enrollees?*
- *What specific delivery and care coordination approached might MCOs employ to meet the needs of enrollees in rural and underserved areas?*
- *How might the Department improve its evaluation of the adequacy of MCOs' response to enrollee health care needs in rural and underserved areas?*
- *Are there deficiencies in MCO provider networks in certain regions/parishes and/or covered services that LDH should specifically address in the managed care procurement?*

Response:

LDH should strongly encourage MCOs to work with physician network aggregators such as clinically integrated networks like LCMC Healthcare Partners. LDH should also consider requiring the MCOs to make enhanced primary care payments for underserved areas to promote physician acceptance of Medicaid and improve access.

LCMC Health also supports 504HealthNet comments submitted on this topic related to transportation, communication, coordinating placements, increasing specialty access, and telehealth.

D) Invest in Primary Care, Timely Access to Care, Telehealth and Medical Homes

Request for input: Please suggest ways in which successful bidders might demonstrate initiatives that would meet the Department's goal to improve enrollee access to primary care, and the Department's desire for increased practice transformation into medical homes.

- *How might the Department encourage or require contracted MCOs use of telemedicine or telehealth, and e-visits to improve enrollee access to care?*
- *How might the Department encourage or require MCOs to adopt effective triage lines or screening systems, or other technology to help improve access and coordination of care?*

Response:

Consistent with the statement in response "B", LCMC Health supports moving to a model that enables MCO's to contract with provider networks on a risk adjusted percent of premium PMPM basis. This will create the required financial structure to support enhanced primary care roles that translates into better access, proactive care, holistic care management and ultimately better health status.

E) Improve Integration of Physical and Behavioral Health Services

Request for input: Please offer suggestions for key aspects of behavioral health and physical health integration and how the Department could ensure that successful bidders offer and support improved integration of behavioral health and physical health care delivery for enrollees in this upcoming procurement. What specific network development, care delivery and care coordination approaches might the Department encourage or require MCOs to employ to better meet enrollees' behavioral health needs?

Response:

LCMC Health again references the response to "B" above. LCHC Health submits that once providers are responsible for comprehensive care, this will create the required financial structure to support enhanced primary care that integrates behavioral health services.

F) Advance Value-based Payment (VBP) and Delivery System Reform

Request for Input: Please offer suggestions on how contracted MCOs can best promote adoption of new payment methodologies that reward providers for the value they create as opposed to fee-for-service methodologies that reward providers for the volume of services they provide.

- *Please comment on provider readiness to participate in VBP arrangements, including ACOs, by 2020. What support should LDH or its MCOs make available to providers?*
- *Please suggest policies for the MCO model contract related to Medicaid ACOs criteria for ACOs, and/or the respective roles of the ACO, the MCO and LDH.*

Response*:*

LCMC Healthcare Partners providers are ready or actively getting ready now to manage population health and take financial risk for care delivery performance (note: care delivery performance risk must be segregated from insurance risk and arrangements properly structured to insulate providers from material insurance risk)

Consistent with the statement in response "B", LDH should enable the MCOs to contract with provider networks at scale to transfer care delivery performance risk on a risk adjusted percent of premium PMPM basis. This approach fundamentally allows providers to move away from fee for service and focus on the Triple Aim in a manner that is financially sustainable. It is only with this sort of contracting that access and care can be improved while controlling cost growth.

G) Promote Population Health

Request for input:

- *What requirements should be placed on MCOs in terms of utilizing a population health approach to care delivery?*
- *What are the key aspects that should be included within a population health strategic plan?*
- *Network adequacy and access; investing in primary care, timely access to care, telehealth and medical homes*

Response*:*

LCMC Health suggests that LDH require MCOs to contract with provider networks at scale to transfer care delivery performance risk on a risk adjusted percent of premium PMPM basis for the majority of the beneficiaries they serve. This approach will create the required tipping point that will shift majority of the market to value based arrangements and support providers in their efforts to invest in the required infrastructure to accept and manage care delivery performance risk.

H) Improve Care Management/Care Coordination at MCO and Provider Levels

Request for input: Please offer suggestions for the RFP and/or model contract functions and elements related to improving care management and coordination at both the MCO and provider levels. In addition, please provide your opinion on whether MCOs should be required to employ, support, and/or utilize Community Health Workers for certain populations and care management interventions? Please elaborate.

Response:

Community health workers and other population health management roles should be the domain of contracted provider networks. These functions are fundamentally a provider responsibility for attributed lives related to a given provider and not an MCO function.

I) Increase Focus on Health Equity and Social Determinants of Health

Request for input: Please offer suggestions for ways that LDH can utilize the upcoming managed care procurement to increase MCO focus on social determinants of health and improve health equity. For reference, see the following link to a report on "Enabling Sustainable Investments in Social Interventions: A Review of Medicaid Managed Care Rate Setting Tools," http://www.commonwealthfund.org/publications/fund-reports/2018/jan/social- inteventions-medicaid-managed-care-rate-setting.

Response:

LCMC Health submits that LDH should classify certain social services as a covered benefit and provide a risk adjusted payment that reflects the impact of social determinants of health.

J) Apply Insights from Behavioral Economics to Facilitate Enrollees' Healthy Behaviors and Choices

Request for input: Please offer suggestions for how best to incent Medicaid MCO enrollees for healthy behaviors and medical compliance and/or share experiences applying behavioral health economics in other insurance settings.

Response:

LCMC Health suggests that LDH work with the MCOs to direct rebates or financial payments to beneficiaries for certain constructive behaviors. (e.g., well child visits, ED avoidance, PCP well visit, etc.)

K) Improve Approach to Value-added Benefits

Request for input: Please offer suggestions related to whether and how MCOs should be able to offer value-added benefits and services at no additional costs under the next procurement. Please indicate whether specific comments apply to value-added benefits for enrollees, providers, or both.

Response:

LCMC Health is in support of the MCOs adopting a similar model to that utilized by Medicare Advantage. Plans should be allowed to compete for members in part based on benefit offering over and above the standard benefit.

L) Achieve Administrative Simplification

Request for input: Please offer specific ideas for achieving the Department's aim for greater administrative simplification in its Medicaid managed care program by reducing the burden and complexity of the program for enrollees. In addition, the Department is interested in ideas to make the program less burdensome for providers by reducing paperwork, redundancies, and improving clarity of clinical criteria.

Response**:**

LCMC Health again references the response to "B" above. LCMC Health submits that moving to a delegated risk model means the state's focus becomes limited to rule making, risk adjusted payment rate calculation and administration and audit/compliance monitoring.