

**COHS Planning and Implementation Committee
Meeting Notes
November 30, 2007**

In Attendance

Implementation Committee Members: Marion Deeds, Damon Doss, Paul Duranczyk, Kathy Ficco (for Mich Riccioni), Naomi Fuchs, Sean Gaskie, Barbara Graves, Michael Humphrey, Diane Kaljian, Joann Keyston, Mary Maddux-González, Jack Neureuter, Irma Oregon, Kirk Pappas, Don Ransom, Michael Smith, Mary Szecsey, Madrone Williams

Staff and Consultants: Cliff Coates, Alison Lobb, Lynn Scuri

CDHCS Staff: Willie Anderson

Partnership HealthPlan: Liz Gibboney, Jack Horn

Audience: Susan Keller

Absent: Dianna Ball, Joan Froess, Ann McGee, Jim McSweeney, Nancy Oswald, Kelly Pfeifer, Evan Rayner, James Vaughn, Susan Zibblatt

Welcome, Introductions, Announcements

Dr. Mary Maddux-González opened the meeting and welcomed the Planning and Implementation Committee and guests and asked that individuals introduce themselves. Dr. Maddux-González then presented the agenda for the meeting. The goals of the meeting were agreed.

Updates from Partnership HealthPlan

Mr. Jack Horn reported that Partnership had held a board meeting that week, in which a proposal for a pilot e-prescription program had been presented. Data collected nationally demonstrates that better formulary compliance is associated with e-prescriptions. The cost per prescription would be 20 cents. E-prescriptions could be made mandatory for health plans as early as 2009.

The care management program is another pilot project currently underway. Partnership is now interviewing for personnel and expects to have filled all 30 positions by the end of December. The program is based on the “Care Oregon” model, which claims 10:1 return on investment. If the program succeeds, Partnership would assemble four or five teams.

The new IT system is being tested, and all the “bugs” appear to be fixed.

Mr. Horn announced that Ms. Liz Gibboney has been promoted to Deputy Executive Director.

Rate Negotiations

Mr. Horn informed the group that the State is working to reach agreement with Partnership on rates. As reported in past meetings, administrative costs have been a difficult issue. Partnership has requested the State consider all five counties together, as some of the other counties where they provide Managed Care Medi-Cal are comfortably

below Medi-Cal FFS costs (as the State requires). If such agreement is forthcoming, a go-live date of October 1, 2008 is still possible.

Despite the fact that rates have not been finalized, Partnership has been performing the ground work for contracting with providers. Partnership has come to recognize that assembling a specialist pool does, indeed, present some difficulty in Sonoma County.

When asked how long rates remain in effect, Mr. Horn answered that he expects the rates will hold for 12 months coinciding with the July 1st anniversary date of Partnership's core business.

To the question of whether the State intends to set rates based on cost of care or on the budget capacity of the State, Mr. Willy Anderson responded that they would be based on cost of care. Mr. Anderson pointed out that the Governor has made healthcare a clear priority. Also, Managed Care Medi-Cal saves the State money, so Mr. Anderson believes the State will do everything possible to support its introduction into Sonoma County.

Primary Care – Hospital Selection

Mr. Horn and Ms. Gibboney presented some materials on establishing risk pools for PCPs and, potentially, hospitals. (Specialists do not join risk pools, as this has not worked in Partnership's experience.) The guiding principles for risk pools are:

- Entities taking risk must have net worth (DHCS requirement).
- Entities can only take risk for services they provide (per DHCS).
- DMHC-licensed plans can take full risk.
- Risk pools should be large enough to be actuarially viable.
- If hospitals or groups of hospitals accept hospital capitation, members will select a physician/clinic-hospital combination in contiguous areas.
- Hospital risk pools will be built based on historic hospital utilization patterns, historic utilization, and contracted unit cost (per diems).
- Auto-assignment regions do not necessarily follow the same patterns as risk pools.

When risk pools exist, Partnership sets targets for costs PMPM (per member per month) within a geographic area. If surpluses are realized within a regional pool, they are distributed on a pro rata basis to the providers. Thus the incentive is distributed in accordance with individual contribution. Performance reports are prepared quarterly for providers. The surplus is tallied at the end of the year.

Mr. Horn explained that hospitals only become part of risk pools when they are capitated, in which case they also are associated with PCPs (although individual members always are allowed to select any hospital they wish).

Partnership discussed several possibilities for risk pools in Sonoma County. The ideal risk pool is small enough to affect behavior. The minimum number of clients in a risk pool is 20,000. Options presented by Partnership for risk pools are:

- 2 risk pools: (1) all of Sonoma County, and (2) Kaiser.

- 3 risk pools: (1) Santa Rosa, (2) all other areas, and (3) Kaiser.
- 4 risk pools: (1) Santa Rosa, (2) North County, (3) South County, and (4) Kaiser.

Many of the committee members expressed doubt that risk pools could be built based on geography in Sonoma County, because the distribution of the population would not make this feasible. Also, some members believe the reasons for having risk pools are outweighed by the reasons against them. Previous attempts at developing geographic risk sharing were divisive.

The suggestion was made to (1) map out the distribution of the Medi-Cal population, (2) map out the locations of the providers, and (3) compare with historic hospital usage patterns. OSHPOD might be a source of some of this information, and Mr. Anderson said he would facilitate the provision of State data.

Partnership was requested to provide a flowchart of funds. Partnership agreed to bring the flowchart to the next meeting, and to have their CFO present it.

Public Comment

Ms. Susan Keller pointed out that the committee members who represent the issue of the elderly seldom attend meetings. She emphasized that it is essential that the needs of elderly Medi-Cal clients be represented at the PIC Group meetings, and asked that staff look into this. Ms. Keller said she would be happy to represent the needs of the elderly at these meetings, if necessary.

Wrap-Up – Next Steps

Ms. Liz Gibboney distributed a list of key decision points that had been requested at an earlier meeting. The list includes only higher-level activities and is organized along a rough timeline of 9-12 months prior to “go live”. The timing can be somewhat compressed, if necessary.

Ms. Marion Deeds thanked Ms. Gibboney for meeting with the Human Services Department and informing them about how Managed Care Medi-Cal will affect their work with their clients.

The COHS Planning and Implementation Committee will continue meeting on the fourth Friday of each month at 475 Aviation Blvd. throughout 2008.

Adjourned at 10:22 AM

The next meeting of the COHS Planning and Implementation Committee is Friday, January 25, 2008 from 9:00am to 11:00am at 475 Aviation Blvd., meeting room to be determined.