



Medi-Cal Beneficiaries with Disabilities

Improving Quality and Accountability

August 2005

Summary

The California HealthCare Foundation is providing technical assistance and engaging stakeholders in a process to:

- Develop contract performance standards and measures for managed care plans serving Medi-Cal beneficiaries with disabilities and chronic illness.
- Develop an assessment tool that state officials can use to evaluate the readiness of health plans to serve these beneficiaries if managed care is mandated.
- Identify strategies for monitoring health plan contract compliance on an ongoing basis.
- Identify strategies for enhancing collaboration among the departments within the California Health and Human Services Agency that serve people with disabilities and chronic illness.

Background

Issue: Current System Lacks Accountability

People with physical or mental impairments or other disabling conditions account for 14 percent (1 million) of Medi-Cal beneficiaries and 40 percent (\$12 billion) of program expenditures. Compared to other Medi-Cal beneficiaries, they are five times more likely to have two or more chronic conditions, and nine times more likely to be hospitalized for a preventable condition.

Despite the importance of Medi-Cal coverage to this population — and of this population to the Medi-Cal budget — state officials are unable to determine how effectively or efficiently the program is serving its disabled beneficiaries in either the fee-for-service or managed care systems. For example, the tools the state uses to assess the quality of care provided by its participating managed care plans do not include measures that reflect the needs of people with disabilities, and state officials are unable to separate results for people with disabilities from other beneficiaries enrolled in managed care.

Opportunity: Performance Standards and Measures Would Provide Essential Building Blocks for Medi-Cal Reform

Performance standards and measures that reflect the characteristics and needs of people with disabilities are essential building blocks for improving quality, whether through collaborative quality improvement projects or financial incentive programs such as pay-for-performance. They would provide essential information for state officials to ensure that the Medi-Cal funds are spent efficiently. Such standards could help prevent situations like the one in which a 25-year-old man with spinal cord injury and paraplegia needed surgery to repair a pressure sore because he was denied wheelchair cushions, or another in which a 50-year-old woman with multiple sclerosis was denied a routine mammogram because she could not stand.

Ideally, improved performance standards and measures relevant to people with disabilities should be developed for both managed care plans and fee-for-service providers. Although the need to improve the fee-for-service system is at least as great as the need to improve the managed care system, this project focuses on the managed care program for two reasons. First, managed care plans are responsible for managing a broad array of services and can be held accountable by state officials for improving quality and access across inpatient and outpatient settings. Second, Governor Schwarzenegger's proposal for Medi-Cal Redesign, which would triple the number of Medi-Cal beneficiaries enrolled in managed care (from 208,000 to 699,000), has created a "window of opportunity" to address issues that have previously taken a back seat to other state priorities. The current circumstances provide the best chance in a decade to improve standards and quality of care for Medi-Cal beneficiaries with disabilities.

Project Description

Setting Standards for Clinical and Administrative Performance

The first priority of this project is to develop health plan contract performance standards and measures that will foster improvements in quality of care for people with disabilities and chronic illness. A team of experienced consultants from the Center for Health Care Strategies, The Lewin Group, and the Center for Disability Issues and the Health Professions at Western University of the Health Sciences have joined forces to address the following eight clinical and administrative areas of Medi-Cal managed care contracts:

- **Accessibility.** Health plans must take appropriate steps to ensure program, physical, and communication access for all members. Compliance with the Americans with Disabilities Act and the Rehabilitation Act is critical to meeting such accessibility and non-discrimination principles.

- **Benefit Management.** Benefit packages for people with disabilities should allow health plans to manage the distinct needs of beneficiaries in the most appropriate and cost-effective setting. How benefits (or services) are defined, authorized, and managed by the health plan has a profound impact on how people with disabilities and chronic conditions receive care.
- **Coordination of Specialty Services.** Medi-Cal carves-out numerous benefits from its health plan contracts. Therefore, it is vitally important for health plans to coordinate their activities with other providers who serve people with disabilities, such as those who provide mental health services, alcohol and substance abuse treatment, specialty care for children, physical rehabilitation, and long-term care.
- **Care Coordination/Care Management.** Comprehensive care coordination/care management programs are essential to: ensure that beneficiaries have access to a medical home; link consumers to needed preventive services; coordinate the full array of services, including specialty services that are carved-out of managed care; and connect members to vital social and supportive services.
- **Performance Measurement.** Developing an all-encompassing quality measurement program can be challenging for several reasons: individuals with disabilities vary enormously in the complexity and diversity of disability and condition; the prevalence of certain conditions is small; and evidence-based treatment guidelines may not be well-developed. A multi-faceted approach to measuring performance is needed to determine whether people with disabilities and chronic illness are receiving access to high-quality care and to track changes over time.
- **Member Services.** Member service functions are the gateway to helping a consumer understand a

health plan's benefits, providers, and programs (such as health education and care management). Coordination between the state, the managed care enrollment broker, and the health plans can help ensure that the transition to managed care, the selection of a health plan, and the selection of primary care provider occurs smoothly.

- **Network Capacity.** Managed care organizations must build a primary care and specialty network that has relevant expertise in serving people with disabilities and chronic illness. Health plans must use traditional (e.g., mapping software) and non-traditional (e.g., consumer outreach) methods to identify and recruit providers.
- **Quality Improvement.** The field of quality improvement in Medicaid managed care has advanced dramatically over the past several years and is now beginning to drive care enhancements for people with disabilities and chronic illness. Incorporating emerging quality improvement principles is vital to ongoing improvement in health care quality.

The process for developing performance standards and measures includes the following steps:

- **Conduct research and draft recommendations.** The project consultants are reviewing Medi-Cal's current health plan contracts and relevant statutes, regulations and policies, and comparing these with the practices of several states with large or innovative managed care programs serving people with disabilities. The project consultants will use these materials to develop draft recommendations for modifying Medi-Cal's contract and policies to better reflect the needs of people with disabilities and chronic illness.
- **Solicit ideas and feedback from interested parties.** The project consultants are facilitating a series of 1½-day work group meetings for each

of the eight topic areas described above to solicit ideas and feedback from consumers, providers, health plans and state officials throughout government. They are also interviewing practicing physicians, whose schedule is such they cannot participate in the work groups. In addition, they will use a variety of Web-based, telephonic, and in-person strategies to maximize the opportunities for soliciting feedback from interested people who are not able to participate in a work group. All project materials are posted on the CHCF Web site.

- **Review recommendations with Advisory Group.** The project consultants will review all of their recommendations and the feedback of work group participants with a 28-member Advisory Group that includes representatives of consumer groups, providers, health plans, and state government.

Following these steps, the Department of Health Services will evaluate the recommendations and solicit public comment before deciding which new performance standards and measures to adopt.

Additional Deliverables

Enhanced contract performance standards and measures are only part of what is needed to improve care for people with disabilities and chronic illness. Therefore, project outcomes will also include:

- Recommended strategies for enhancing collaboration among each of the departments within the California Health and Human Services Agency that serves people with disabilities and chronic illness (e.g. care coordination and information sharing).
- Recommended strategies for monitoring health plan contract compliance on an ongoing basis.
- An assessment tool that state officials can use to evaluate the readiness of health plans to serve these beneficiaries if managed care is mandated.

Timeline

The project, which runs from June 2005 through September 2006, is divided into two phases (Figure 1). The project timeline reflects deadlines identified by the Department of Health Services as they prepare to expand mandatory managed care for people with disabilities beginning in January 2007.

Potential Strategies for Improving Quality and Accountability

Although Phase I is at its midpoint, several ideas have emerged as potential strategies for enhancing Medi-Cal's health plan performance standards and measures to improve health care delivery for people with disabilities and chronic conditions, including:

Performance Standards and Measures

- Require health plans to develop multiple and frequent pathways to identify people with disabilities and chronic conditions; to conduct an initial and periodic health risk assessment to identify health, functional, communication, and care coordination needs; and to collect relevant member health information (e.g. service utilization history and types of specialty services used).
- Require health plans to ensure that participating providers are accessible to members with disabilities as part of their facility site reviews, and to include this type of information in the health plan member enrollment materials.
- Require health plans to improve communication of current contract requirements that allow for standing referrals to specialists and out-of-network referrals.
- Require health plans to collect and report consumer satisfaction results from the CAHPS survey for their members with disabilities.
- Require health plans to collect and report HEDIS measures such as: comprehensive diabetes care,

antidepressant medication management, and access to preventive/ambulatory health services.

State Activities

- Clarify and standardize contract language related to providing information in alternative formats (e.g., Braille, large print, disks, audio formats) and providing access to interpretation services (as well as other auxiliary aids and services).
- Develop Memoranda of Understanding between various state and local agencies and the health plans to clearly delineate care coordination roles and responsibilities and provide a framework for improving communication among these groups.
- Develop measurable goals for state departments overseeing the provision of Medi-Cal funded specialty services and initiate quality improvement projects.
- Facilitate the exchange of health information between state programs and health plans while ensuring consumer protection and appropriate releases.

These ideas, and the many others identified by project participants, are a clear indication that there is a great opportunity for state lawmakers and program officials to demonstrate their commitment to improving the quality of care for people with disabilities in Medi-Cal, and to ensure that limited state resources are used more effectively.

RELATED LINKS

California HealthCare Foundation, Performance Standards
www.chcf.org/topics/medi-cal/perfstandards/index.cfm?itemID=111865

Center for Disability Issues and the Health Professions
www.cdihp.org

Center for Health Care Strategies www.chcs.org

The Lewin Group www.lewin.com

Figure 1: Performance Standards Project Activities

