

The Sonoma County Medi-Cal Managed Care Planning Process: Challenges and Opportunities

The Challenge:

- The State has asked Sonoma County to become a Medi-Cal Managed Care county by joining Partnership HealthPlan, a County Organized Health System (COHS) currently serving Solano, Napa and Yolo counties.
- Medi-Cal for Sonoma County is currently managed by the State and has many problems including low reimbursement rates, a lack of participating providers, and a massive, inflexible administrative bureaucracy.
- Is joining Partnership HealthPlan a good option for Sonoma? If so, there are many arrangements to be worked out including participation in Plan governance, the level of members services available and mechanisms for provider risk-sharing.

The Opportunity:

- There are five County Organized Health Systems (COHS) in California serving 8 counties and 550,000 beneficiaries. The COHS's have a strong record over 20 years of improving access, provider and consumer satisfaction and quality of care, while saving the state and tax payers money.
- A COHS plan is a government authority created by the County Board of Supervisors via local statute. The Supervisors appoint the board of directors, but the County General Fund is not responsible for COHS finances.
- The COHS contracts with the State to administer Medi-Cal services within negotiated rates "per member, per month" and then contracts with providers to deliver care. Medi-Cal eligibility requirements and enrollment do not change under Medi-Cal Managed Care.
- Joining Partnership HealthPlan would provide more local control over an important health program. COHS's have some flexibility to redirect funds to increase access and reward quality. COHS are able to help beneficiaries get access to services and manage their care and they are available to work closely with local providers on Plan policies and procedures.
- This flexibility comes with a price; the Plan, and ultimately the local health providers must operate within the funds available, or choose to end the contract with the State. Getting viable capitation rates from the State is essential to the Plan's long term success.

Why is this an important decision?

- Approximately 10% of the County population, or 47,000 people, are enrolled in Medi-Cal each month. Half of all enrollees are children under 21, 20% are seniors over 65. Many disabled people depend on Medi-Cal for health insurance.
- Medi-Cal spent \$200 million in 2004 on medical services for Sonoma residents. Medi-Cal payments help to support local hospitals, community clinics, physicians and other providers and help to fund many public and private programs.
- Medi-Cal is an essential safety net service funding 34% of all births in Sonoma and caring for our most vulnerable residents.

How will we decide?

- The County Health Services Director presented this issue to the Board of Supervisors in November and was authorized to appoint a Medi-Cal Managed Care Planning Group to study the options, gather input, and make a recommendation on Medi-Cal Managed Care.

Who is on the Medi-Cal Managed Care Planning Group and why?

- The Medi-Cal Managed Care Planning process will be chaired by the County Health Officer and will have representatives from the three sectors that would be impacted by managed care: health care providers, Medi-Cal beneficiaries and County government.
- Health care providers will select their own representatives who will communicate with and share the perspectives of those they represent.
- Each hospital will have a representative: the hospitals each have a unique relationship to Medi-Cal and represent different areas of the County. Having every hospital participate in a managed care plan would be desirable.
- Primary care, specialty and clinic physicians will be represented by three physicians selected by the County Medical Society. An important managed care goal is to increase physician participation in the Medi-Cal program.
- The Redwoods Community Health Centers will select 1 representative from a community clinic and one from their central organization which represents 8 community clinic members. Community Clinics currently provide much of the outpatient access for Medi-Cal patients and are very familiar with the Medi-Cal system and beneficiary needs.
- Skilled Nursing Homes will select a representative. Their residents are heavy users of Medi-Cal services; nursing home care itself may or may not be an included benefit in a new managed care program.
- Six representatives of Medi-Cal beneficiaries will be selected from nominations by community organizations that serve low-income health consumers. The Health Services Director will appoint individuals who have experience or knowledge of Medi-Cal and are able to represent various types of beneficiaries. Having beneficiary representatives associated with a community organization will increase their ability to communicate with others and provide an important voice for the individuals served by the Medi-Cal system.
- County representatives will be health and social services professionals knowledgeable about Medi-Cal. As public servants, they have a responsibility for and care about the system as a whole. They will advocate for changes that improve health access and health outcomes.

How can others have input into the process?

- Planning Group meetings will be open to the public; all meeting materials will be posted on a web site. There will be special efforts to get public input including an option for individuals to meet with Planning Group staff.
- Provider groups not represented on the Planning Group will be offered an opportunity for focused meetings and encouraged to provide input. Providers such as pharmacists, labs, durable medical equipment, etc. are essential to any plan's success.
- Ultimately the issue of Medi-Cal managed care will be considered at a public hearing before the County Board of Supervisors

What will be the outcome of the Planning Process?

- The Planning Group will make recommendations to the County Health Services Director and will be involved in the presentation, and potentially the implementation, of those recommendations to the Board of Supervisors and the community at-large.