

# GEORGIA MANAGED CARE EXPERIENCE

## NORTH CAROLINA LEGISLATIVE BRIEFING

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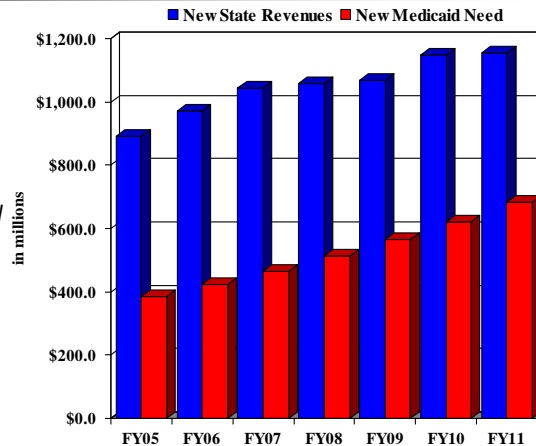
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Mark Trail, Healthcare Consultant  
Former Georgia Medicaid Director

# Why Managed Care?

## Medicaid Growth is Unsustainable!

- In FY2005, Medicaid will require 43% of all new state revenue
- By FY2008, Medicaid will require over 50% of all new state revenue.
- By FY2011, Medicaid will require 60% of all new state revenue.



	FY05	FY06	FY07	FY08	FY09	FY10	FY11
New Revenue (Discretionary)	60%	56%	55%	52%	47%	46%	40%
New Revenue (Medicaid)	43%	44%	45%	48%	53%	54%	60%

Georgia Department of  
Community Health

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Managing under an PCCM Program

**FY 2005 Projections indicated that by FY2011 Medicaid would require 60% of all new state revenue.**

### Health Care Cost Drivers Addressed by Managed Care:

- Utilization
- Unit Price
- Lack of a medical home
- Limited knowledge on how to access appropriate care

\* Source: Department of Community Health FY 2005 Presentation

# Typical Cost Saving Strategies

- Member Reduction
  - GA implemented several strategies in 2005 & 2006
    - Citizenship & medical necessity for Emergency Medicaid and TEFRA
  - Now held to levels & regulations in place - 2008
- Service Reduction
  - Minimal opportunity in most states
- Price Reduction
  - State still has to maintain access
- Utilization Management
  - Managed care techniques

# Georgia Medicaid Benefit Management

- Managed Care – Full Risk - Mandatory
  - Low Income Medicaid
  - Breast & Cervical Cancer
  - PeachCare for Kids
- Disease State Management (Enhanced PCCM)
  - SSI Adults – Voluntary opt-out
  - SSI Children – Voluntary opt-in
- Administrative Services Organization
  - All others
    - Dually Eligible, SSI not in DSM, Katie Beckett, Waivers, etc.

# Planning and Preparation

- Did not require legislation
  - Savings recognized in the appropriation process
- Claims Run-Out
  - GA had been operating Medicaid on a cash basis
  - Recognized that any prospective change require run-out due to claims filing lag
- GA had the plans bid both design & rates
  - Savings were realized in the first year

# Georgia Families

## ■ State - 6 Regions

- State served by 3 plans
  - Competitively selected – Quality & Price
- Metro served by all 3 plans
- Each of the 5 Rural Regions served by only 2 plans
  - Plans have to serve entire Region

## ■ Contracting Model

- State Plan - Benefit
- Full Risk – Carve-In
  - Behavioral Health, Pharmacy and Dental Carved-In
    - Improved Coordination and Outcomes of Care

# Georgia Families: Care Management Organizations

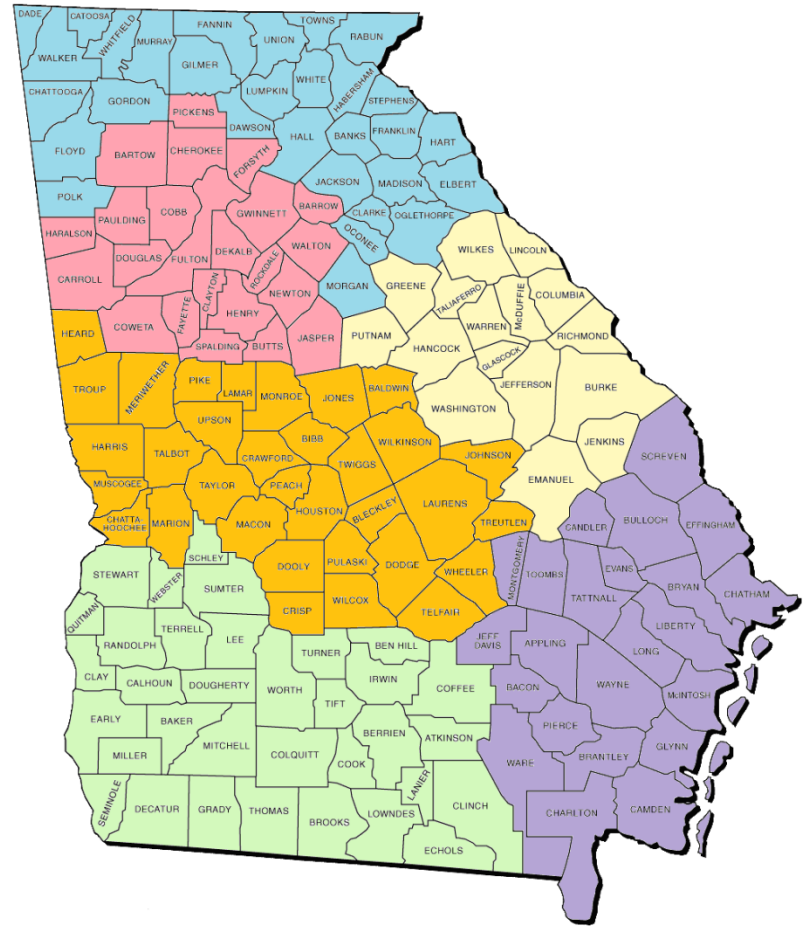
3 CMOs: Amerigroup,  
Peach State Health Plan (Centene),  
and WellCare

Competition in 6 Regions:

- All 3 in Atlanta
- 2 in each of the other 5

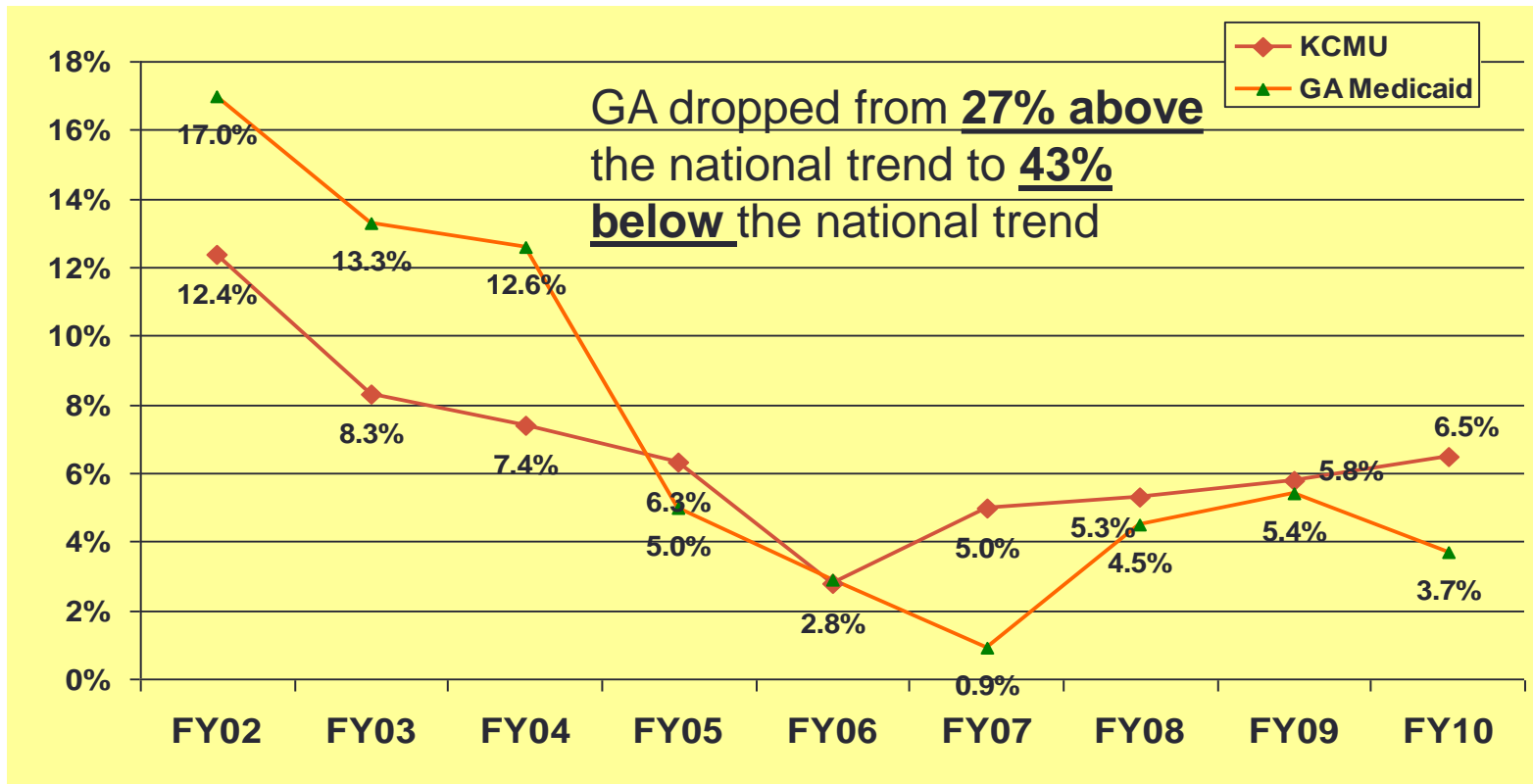
Manage over 1.1 million members  
in Medicaid and PeachCare:

- 85% are children
- 15% are pregnant women and low income parents
- Aged, blind and disabled are covered in fee for service



# GA vs. National Medicaid Trends

## Annual Increases in Medicaid Benefit Expenditures



Source: The Kaiser Commission on Medicaid and the Uninsured, *The Crunch Continues: Medicaid Spending, Coverage and Policy in the Midst of a Recession: Results from a 50-State Medicaid Budget Survey for State Fiscal Years 2009 and 2010*. September 2009.



# Cost Savings

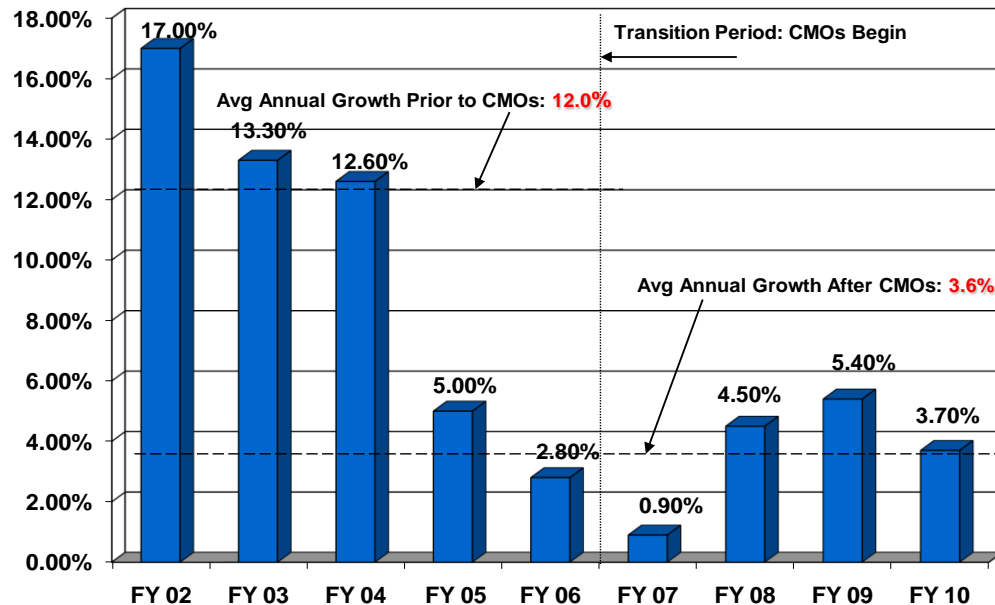
*“When I came into office, Medicaid was growing annually at rates as high as 17 percent. Over the last four years, growth averaged just 3.4 percent, saving the state a staggering \$4.7 billion. Those are numbers that any business would envy.”*

**Governor Sonny Perdue**  
“State of the State”  
January 14<sup>th</sup>, 2009

# Cost Savings

## Managed Care is Saving Money

**Annual Growth Rate in Medicaid** has **declined 70%** since the implementation of Managed Care

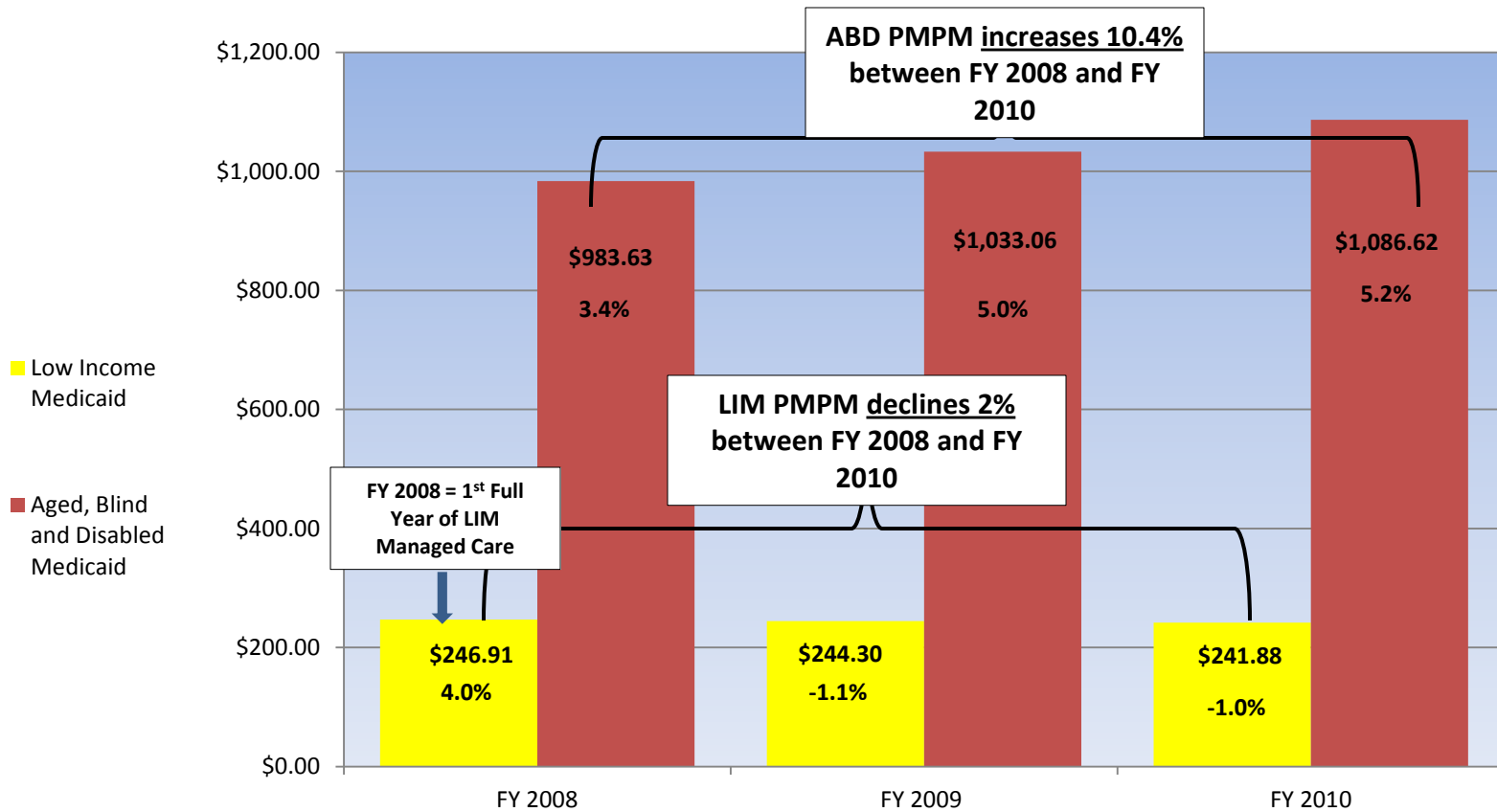


Avg Annual Growth Rate, 2001-2005: 11.96%

Avg Annual Growth Rate, 2007-2009: 3.6%

Source: DCH AFY 2011 and FY 2012 Budget Presentation to the Joint Appropriations Committee, January 20, 2011

# ABD and LIM PMPM Trend: FY '08 – FY '10



## LIM Trend:

1. LIM includes CMO members and LIM FFS members (foster children and CMO eligible in their plan choice period).

## ABD Trend:

1. ABD is covered under FFS. 2. The ABD members in this analysis exclude dual eligible that are covered in Medicare or as a Qualified Medicare Beneficiary. Some SSI members included in this estimate may be dually eligible (also covered under Medicare).

Unaudited

# Increased Access and Quality

Measure	GA Families	Medicaid FFS
Adult Access - Preventive Care	85.2%	75.1%
Annual Dental Visits	55.9%	49.5%
Cervical Cancer Screening	66.7%	30.0%
Diabetes Care – HbA1c	70.5%	43.0%
Diabetes Care – LDL-C	61.0%	36.5%
Prenatal Care Timeliness	53.5%	44.2%
Cesarean Delivery Rate	30.1%	35.1%
Rate of Low Birth Weight Babies	6.5	14.1
Asthma Admit Rate per 100K	151.5	385.3
Diabetes Admits – short term complication rate per 100K	32	90.4

Source: DCH 2009 and 2010 Performance Measure Report