

# Report to the Social Services Appropriations Subcommittee

---

## Medicaid Primary Care Services Request for Information Summary of Responses

Prepared by the Division of Medicaid and Health Financing

February 1, 2011



## **Introduction**

This report is submitted in response to the following language in H.B. 397 2<sup>nd</sup> Substitute passed by the 2010 Legislature:

“In order to determine the feasibility of contracting for direct Medicaid providers for primary care services, the department shall: (a) issue a request for information for direct contracting for primary services that shall provide that a provider shall exclusively serve all Medicaid clients: (i) in a geographic area; (ii) for a defined range of primary care services; and (iii) for a predetermined total contracted amount; and (b) by February 1, 2011 report to the Health and Human Services Appropriations Subcommittee on the response to the request for information under Subsection (12)(a).”

## **Current Delivery System**

Utah's Medicaid service delivery system currently utilizes three different methods: fee-for-service, managed care and premium assistance. In the rural service area (non-Wasatch Front), the vast majority of Utah's Medicaid clients are enrolled in the fee for service program.

## **Request For Information (RFI)**

In November 2010, the Department of Health, Division of Medicaid and Health Financing (Department) issued a *Request for Information (RFI) for Medicaid Primary Care Services*. The RFI listed the primary care services to be offered to Medicaid clients, the co-insurance and co-payment amounts allowed under Medicaid and the number of Medicaid clients enrolled by county and by type of Medicaid program. The RFI then asked responders to (1) specify in which county or group of counties it was willing to offer the primary care services, (2) specify if it planned to target specific Medicaid enrollees (i.e., children, pregnant women, etc.) or cover the entire Medicaid population in that geographic region and (3) identify a contract amount for which it was willing to provide the above services. Additionally, the Department solicited comments and suggestions on alternatives to the proposed program.

The Department received responses from two entities: Molina Healthcare of Utah and UnitedHealthcare. Neither of the responders provided a response to the specific questions in the RFI: who they proposed to cover, where they would offer services and what contract amount they would require for the primary care services. Rather, both responders provided comments or suggestions on alternative options. The key points by each responder are summarized below.

## Summary of Key Points in RFI Responses

**Responder #1:** The first responder believes that a separate Medicaid Primary Care Services program is not the best approach. For this responder, expanding Medicaid Managed Care is a better model. The responder indicated the following:

- ***Problems with a Separate Primary Care Program:*** A separate Medicaid Primary Care services approach would likely consist of multiple provider groups managing the primary care needs of members through separate non-standardized software systems. It would also lack a core operational unit responsible for oversight of all healthcare services and data analysis.
- ***Benefits of an Expanded Managed Care Model:*** A Medicaid managed care model would be a better model than the primary care services approach because, unlike the Primary Care Services model, the managed care model provides consistent access to providers for members, complete care coordination and community health education services, and the ability to control costs system-wide. Managed care would be a better approach because an integrated health plan has better quality of care due to better continuity and coordination of care, better management of the appropriate location for care, and an integrated software system.
- ***A Managed Care Model Must Provide the Seven Essential Components of a Medical Home as described by Rittenhouse (2008).***
  1. A personal physician
  2. Physician-directed medical practice by a multi-disciplinary team
  3. Whole person orientation
  4. Coordinated/ integrated care
  5. Quality and safety
  6. Improved access to care
  7. Payment reform that values primary care

**Responder #2:** The second responder believes that Patient Centered Medical Homes (PCMH) provide a good foundation for coordinated primary care services. The second responder also offered the following ideas for Utah's Primary Care Program:

- Size and scale matter: to ensure success of the program, limit the number of entities awarded contracts

- Identify, qualify, and support a comprehensive network of medical homes
- Identify individuals with chronic conditions as early as possible
- Coordinate care efficiently
- Improve physician-patient communication while educating and supporting patients

### **Summary**

Given that neither response to the RFI included information on a contract amount or service delivery model for a primary care program and that both responses proposed alternatives, the Department concludes that pursuing a separate primary care program is not feasible at this time. The Department will consider and incorporate some of the other suggestions from the responses in its planned conversion to Accountable Care Organization contracts.