Community Care of North Carolina

ACCESS II & III

"Improving Medicaid Quality and Controlling Costs by Building Community Systems of Care"

The Case for Medical Homes and Community Networks

L. Allen Dobson ,Jr. MD FAAFP
Former Assistant Secretary
NC Department of Health &
Human Services

HOME
NEXT
LAST

"Does a primary care based system work?"

CCNC 2004

"Community Care of NC"- in the news

- Oct 3, 2007: Community Care wins the 2007 Annie E Casey Innovations in American Government Award given by the Kennedy School of Government at Harvard University
- Oct 5, 2007 Governor Easley announces Community Care saved NC Medicaid $231 million in 2005 and 2006 while improving care.

Community Care of North Carolina

CCNC 2004

Background

Current NC Medicaid Facts

- 1.6 million unduplicated eligibles covered (15.2% 0f population)
- 810,000 children covered
- 45% of all babies born covered
- 30 % of recipients consume 74.5% resources
- Inpatient care (hosp,NH,MRC) consumes 40%
- Physicians account for only 9-10% of costs!!!
- Over $1.5 billion spend on mental health services
- **Total budget over $ 8.5 billion**

Community Care of North Carolina
CCNC 2004

Current SCHIP facts

- Eligibility: children up to 200%FPL
- Enrollment: 121,331 Age 6-19
- Enrollment: 31,000 former SCHIP Age 0-6 now on Medicaid (up to 200% FPL)
- Legislative mandate in 2005 that starting Jan 2006 all SCIP children would be managed by CCNC and assigned a medical home.

Improving Quality & Controlling Medicaid Costs

Developing Community Care of NC
Why It Was Needed?

Community Care of North Carolina
CCNC 2004

Why We Started CCNC as Pilot

- NC is a mainly rural state not well suited for traditional managed care
- Successful Carolina Access program linked recipients with PCP in all 100 counties
- PCCM model alone not effective in cost control or quality improvement
- State was piloting Managed Care program in 2 metro areas- needed alternative for rural areas

ISSUES IDENTIFIED:

- No real care coordination system at the local level
- Primary Care Providers felt limited in their ability to manage care in current system- needed help
- Local public health departments and area mental health services were not coordinated with the medical care system
- Duplication of services at the local level
- State "Silo Funding"

Community Care of North Carolina

CCNC 2004

Primary Goals

- *Improve the care of the Medicaid population while controlling costs*
- *Develop Community based networks capable of managing populations in partnership with the State*
- *Fully Develop the Medical Home Model (enhanced PCCM)*

HOME
NEXT
LAST

Community Care of North Carolina

Build on ACCESS I (PCCM) 1998-99 as pilot program

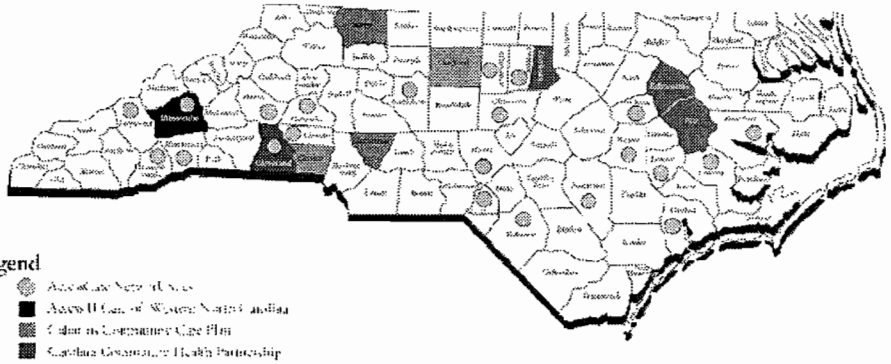
- Joins other community providers (hospitals, health departments and departments of social services) with primary care physicians
- Designated primary care medical home
- Creates community networks that assume responsibility for managing recipient care

HOME
NEXT
LAST

Community Care of North Carolina (Access II and III Networks)

1999

Then



Legend

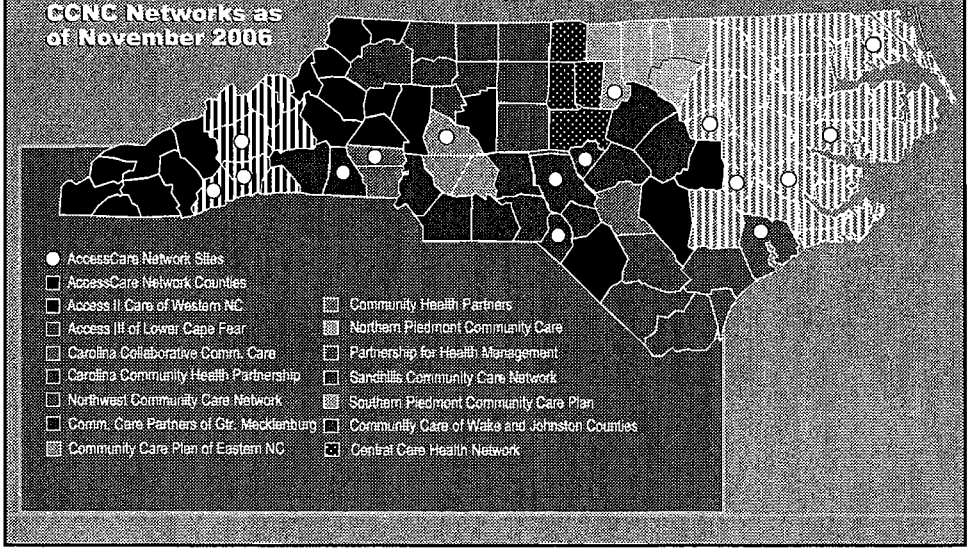
Community Care of North Carolina

Now in 2007

- Focuses on improved quality, utilization and cost effectiveness of chronic illness care
- 15 Networks with more than 3500 Primary Care Physicians (1000 medical homes)
- over 775,000 enrollees
- Now mandated inclusion of Aged Blind and Disabled and SCHIP by General Assembly

HOME
NEXT
LAST

CCNC Spread: 15 networks, 3500 MDs, >750,000 patients



Community Care Networks:

- Non-profit organizations
- Includes all providers including safety net providers
- Medical management committee
- Receive $3.00 PM/PM from the State
- Hire care managers/medical management staff to work with PCPs
- PCP also get $2.50 PMPM to serve as medical home and to participate in Disease management and Quality Improvement
- *NC Medicaid pay 95% of Medicare FFS*

HOME
NEXT
LAST

Community Care of North Carolina
CCNC 2004

Each Network Now Have:

- Part- time paid Medical Director- role is oversight of quality efforts, meets with practices and serves on State Clinical Directors Committee
- Clinical Coordinator- oversees the overall network operations
- Care Managers- small practices share/large practices may have their own assigned
- Now all networks have a PharmD to assist with medication management of high cost patients

Key Attributes of our Medicaid Medical Home

- Provide 24 hr access
- Provide or arrange for hospitalization
- Coordinated and facilitate care for patients
- Collaborate with other community providers
- Participate in disease management/prevention/quality projects
- Serve as single access point for patients

Key Innovations

- Provider networks organized by local providers and are physician led
- Evidenced based guidelines are adapted by consensus rather than dictated by the state
- Medical Homes are given the resources for care coordination and get timely feedback on results
- Inclusion of other safety net providers and human service agencies

"We are about building local systems of care rather than changing how we pay for services"

Current State-wide Disease and Care Management Initiatives

- Asthma
- Diabetes
- Pharmacy Management (PAL, NH poly-pharmacy)
- Dental Screening and Fluoride Varnish
- Emergency Department Utilization Management
- Case Management of High Cost – High Risk
- Congestive Heart Failure (CHF) (2006)

Rapid Cycle Quality Improvement

Network Specific Quality Improvement Initiatives

- "Assuring Better Child Development" (ABCD)
- ADD/ADHD
- HCAP/Coordinated care for the uninsured
- Gastroenteritis (GE)
- Otitis Media (OM)
- Projects with Public Health (Low Birth Weight, open access & diabetes self management)
- Diabetes Disparities
- Medical Home/ED Communications

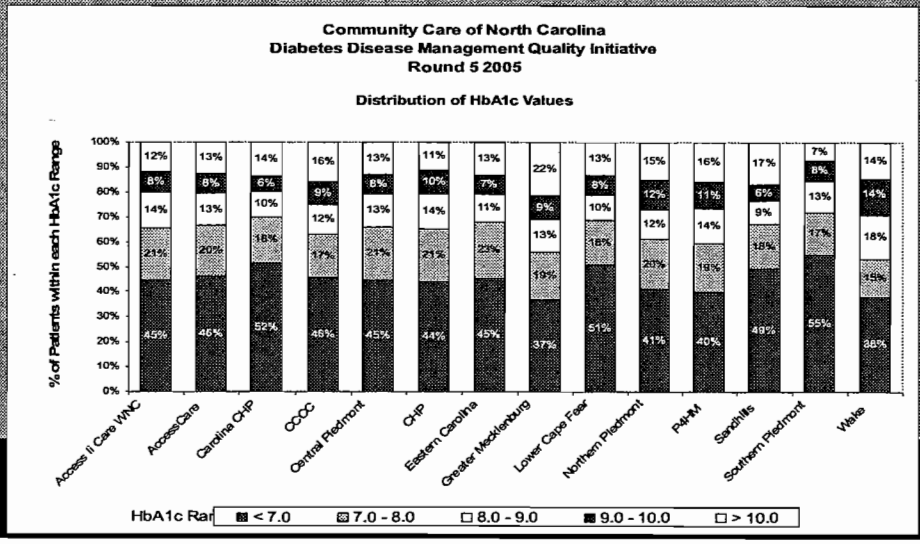
New Network Pilots

- Aged, Blind and Disabled (ABD)
- Depression Screening and Treatment
- Mental Health Integration
- Mental Health Provider Co-location
- E- Rx
- Medical Group Visits
- Dually Eligible Recipients

Community Care of North Carolina

Results

Diabetes—Network Comparisons



Key Results

Asthma

- 34% lower hospital admission rate
- 8% lower ED rate
- average episode cost for children enrolled in CCNC was 24% lower
- 93% received appropriate inhaled steroid

Diabetes

- 15% increase in quality measures

Cost/Benefit Estimates

Community Care of North Carolina

July 1, 2002 – Jun 30, 2003

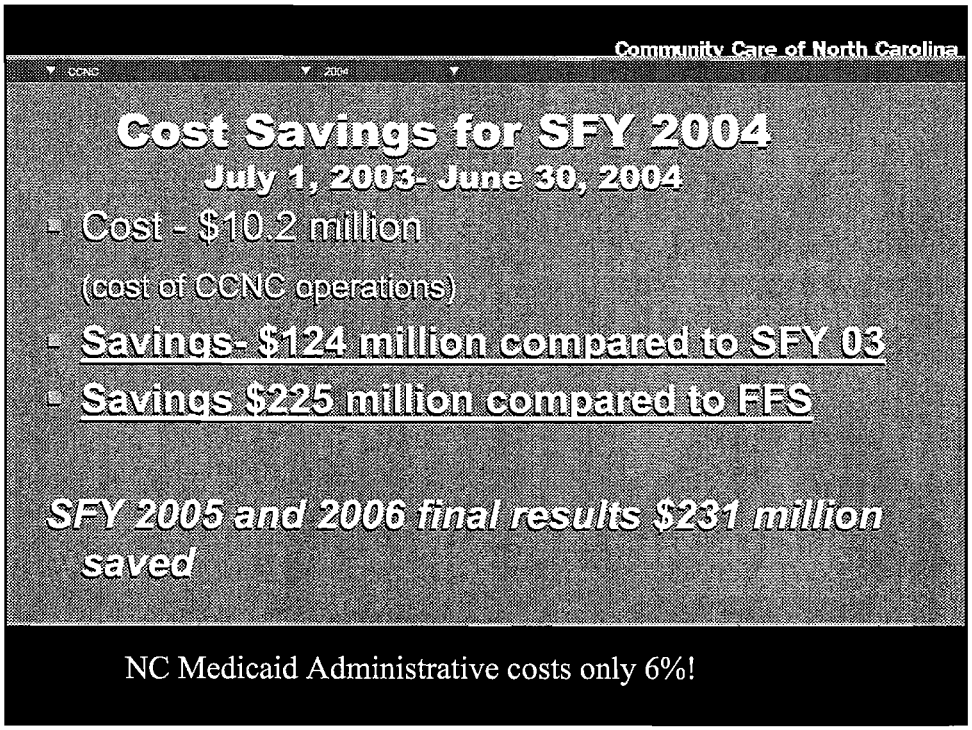
- Cost - $8.1 Million

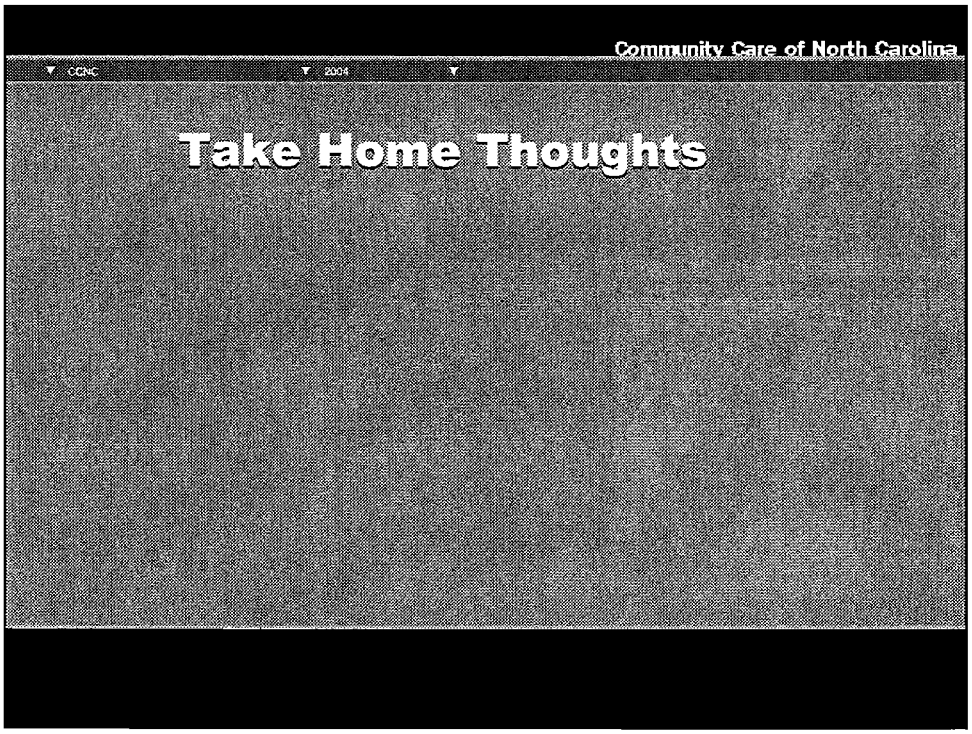
  (Cost of Community Care operation)

- **Savings - $60,182,128 compared to FY02**

- **Savings- $203,423,814 compared to FFS**

  (Mercer Cost Effectiveness Analysis – AFDC only for Inpatient, Outpatient, ED, Physician Services, Pharmacy, Administrative Costs, Other)


Community Care of North Carolina
CCNC
2004
Cost Savings for SFY 2004
July 1, 2003- June 30, 2004
Cost - $10.2 million
(cost of CCNC operations)
Savings- $124 million compared to SFY 03
Savings $225 million compared to FFS
SFY 2005 and 2006 final results $231 million saved
NC Medicaid Administrative costs only 6%!


Community Care of North Carolina
CCNC
2004
Take Home Thoughts

Key Points

- Key attributes of CCNC are replicable in other states despite the idiosyncrasies of NC
- Key principles may have role in non government programs
- Many states have rural areas and undeveloped markets that may benefit from local system development
- Operations vary by community- CCNC principles allow local variability

The medical home and community system development are the keys to success!

Community Care of North Carolina
CCNC 2004

Key Visions

- "Managed not regulated"
- CCNC is a clinical program not a financing mechanism
- Public –private partnership
- The medical home is key for success
- Community-based, physician led
- Quality and system oriented
- Economizing through raising quality rather than lowering fees

CCNC 2004

Key Obstacles to Duplication

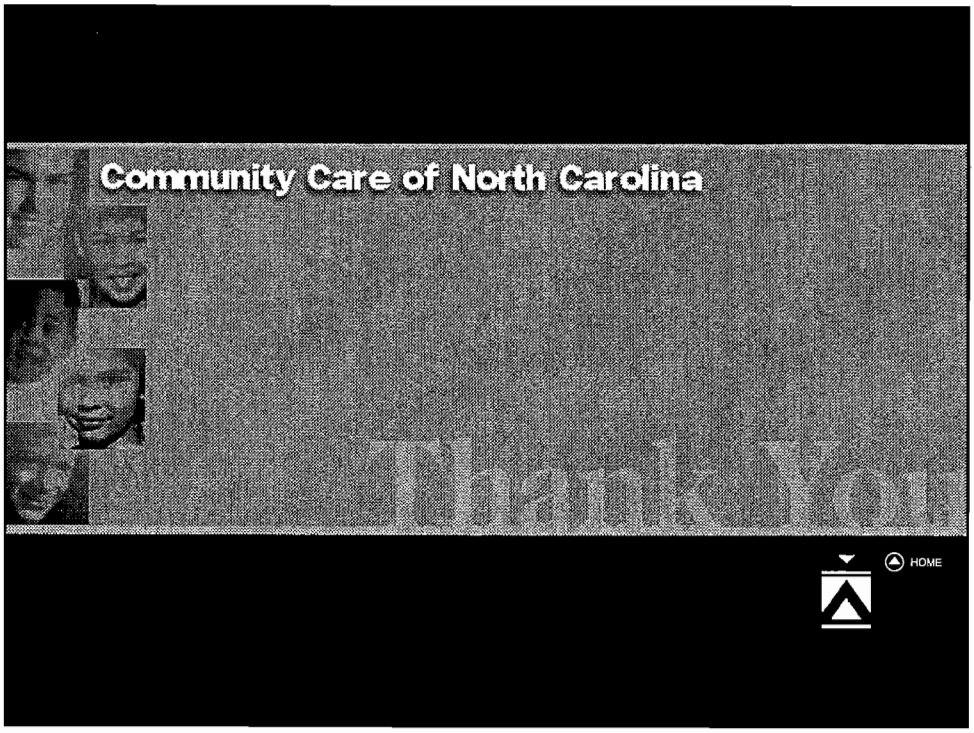
- Building local systems takes time- there is a need for start-up investment (NC relied on private funders initially)- *Once established expansion can be funded through savings.*
- Medicaid requirement for "state-wideness" could be an obstacle
- Reluctance of private insurers to invest in local providers and local system development

Community Care of North Carolina

CCNC 2004

Want to Know More?

www.communitycarenc.com


Community Care of North Carolina
Thank You
HOME