



MERCER GOVERNMENT
HUMAN SERVICES
CONSULTING

Design Of Medicaid Managed Care Oversight Models For States

The delivery of high-quality, cost-effective healthcare is crucial to ensure our healthcare delivery system remains viable not just for today but for the future.

For over 35 years, we have worked with 45 US states and territories. We bring the right mix of battle-tested experts and multi-disciplinary practitioners to the table to shape real-world solutions and face the toughest issues.

Over the past two decades, there has been a proliferation of Medicaid managed care programs emerging across the country. States, traditionally providing Medicaid benefits through a fee-for-service system, are now shifting to managed care with the goals of decreasing costs while improving beneficiary outcomes. The Centers for Medicare and Medicaid Services reports that almost 50 million people receive benefits through some form of managed care, on either a voluntary or a mandatory basis.

Today, states show greater interest in operating Medicaid managed long-term services and support programs, as well as using managed care as a strategy to contain costs for individuals with other complex needs, such as children and adults with serious mental illness. These populations (for example, individuals with serious mental illness, chronic substance use disorders, intellectual/developmental disabilities [ID/DD], and aging adults) are now being targeted through the use of fully integrated or specialty plans.

Medicaid managed care programs will almost certainly continue to grow in coming years, adding millions of newly eligible beneficiaries while also focusing more on the aged, the disabled, and the chronically ill. Additionally, state behavioral health and ID/DD agencies are increasingly responsible for oversight of managed care entities but often initially lack the necessary Medicaid and/or managed care expertise.

Mercer has an opportunity to offer a valuable service to states expanding their managed care programs through consultation focused on leadership, oversight, and monitoring of managed care contractors. Rather than the specific managed care model states employ, it is often contractual requirements, fiscal incentives, oversight, and leadership that have the most significant impact on how effectively and efficiently a managed care plan will meet the needs of the population. States must master key areas such as utilization and clinical management, provider-network management, quality assurance, rates and claims, customer service, and appeals and grievances in their oversight role.

HOW MERCER CAN HELP

The menu of services and products Mercer could market to states include:

Structural and Organizational Analysis and Enhancement

- Provide analysis of current roles of state agencies and personnel and recommend options to best operate and oversee Medicaid managed care operations. Facilitate development of a relevant, meaningful, and efficient monitoring team
- Develop a flexible organizational structure/model that supports effective communication and contract-oversight
- Identify state agency departments/functional units and personnel that will be actively involved with contract-oversight responsibilities, and clarify roles, intra- and interagency collaboration, and coordination needs
- Identify and/or offer initial and ongoing training and technical assistance to ensure that state and other personnel responsible for oversight have the necessary knowledge, skills, and abilities

Optimal Impact of Contracts, Policies, and Standards

- Review and offer revised language for existing contracts (and applicable policies) with managed care organizations (MCOs) to ensure that appropriate contract requirements and standards across key operational aspects (for example, clinical and quality management, access to care, network sufficiency, financial sustainability, reporting) are in place to effectively monitor and hold contractors accountable
- Identify and implement appropriate contractual remedies that allow for a tiered response to substandard contractor performance that includes technical assistance, training, performance-improvement activities, corrective-action plans, notice-to-cure provisions, and sanctions
- Analyze, identify, and consolidate the most relevant goals and indicators that will support an ongoing evaluation of performance under the program and managed care contractors
- Identify how to incorporate less prescriptive approaches to contract management to facilitate innovation and flexibility while preserving overall goals

Development of Reports and Effective Oversight Tools

- Identify a set of required reports and data to be included in managed care contracts that promotes the analysis and assessment of targeted system-level performance and summary-level information across contractors, when necessary
- Identify performance goals, reporting specifications, and reporting frequencies to monitor contractor performance (satisfaction, service- utilization trends, access to care, etc.)
- Explore the use of contractual performance guarantees that can serve to incentivize contractors regarding effective fiscal, operational, and clinical management of the program
- Develop and publish a system-level report card that facilitates state agency leadership assessment of contractor performance across established performance indicators, and permits statewide and contractor comparisons of performance, and serves as an early warning sign to trigger additional oversight and follow-up
- Design and/or assist with implementation of targeted performance reviews to evaluate whether meaningful outcomes for recipients and family members (education, employment, reduced incarceration, success in school) are being consistently achieved





OUR EXPERTISE

With health care experience throughout the country, Mercer welcomes the opportunity to assist states with strategies to design and implement managed care oversight models. Our experience with state Medicaid clients includes the following:

- Reviewing the MCO's compliance with the state contract.
- Assessing whether the state's quality management strategy (QMS) is relevant and has a robust reporting and monitoring process
- Writing the state's QMS
- Proposing and developing the state's MCO oversight structure
- Creating the reporting templates for MCO monitoring
- Ensuring that the QMS data are integrated into the state's oversight process and flows to the right state committee for evaluation and action
- Helping the state evaluate the MCO's performance.
- Evaluating whether the state's solution is working and meeting the QMS and waiver outcomes
- Constructing data cubes to easily identify and remove costs to understand potential savings when evaluating for continuation of optional services
- Developing and maintaining a financial dashboard of the MCO's performance that operates as an early warning system
- Developing and maintaining a quality dashboard of the MCO's performance that operates as an early warning system on identified standards of care
- Developing performance standards that foster physical health and behavioral health integration

We help ready our clients for what's next: the next policy, the next budget, the next administration, the next opportunity.

We deliver an individualized focus, powered by industry-leading experience, integrated capabilities and passionate people. We help clients achieve better outcomes, develop and deploy defensible strategies, and reshape the delivery of health care.

Offices in Atlanta, Minneapolis, Phoenix and Washington, DC

Contact us at (612) 642 8889

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