

# Managed Care / Authorizations Overview

# CaIMHSA

California Mental Health Services Authority

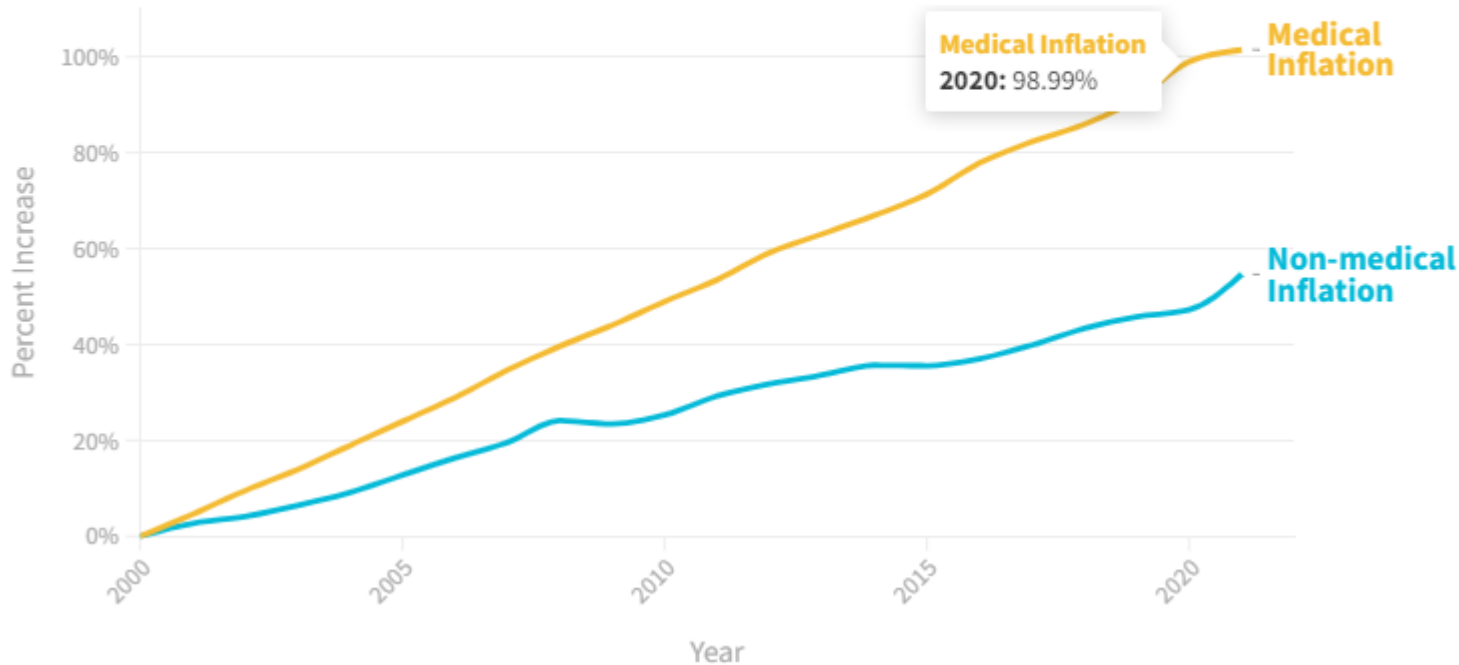
# Healthcare In The U.S. – The Costs:

- US healthcare is more expensive than most countries.
- US national healthcare expenditure reached \$4.3 trillion in 2021, or \$12,914 per person, and is estimated to reach \$6.2 trillion by 2028, per the Centers for Medicare and Medicaid Services.
- According to the Commonwealth Fund, the US spent nearly 16.8% of gross domestic product (GDP) on healthcare in 2019. Germany was the second-highest ranking country, spending 11.7%, followed by Switzerland, spending 11.3%.
- If the current trajectory continues, health spending will triple to nearly \$12 trillion by 2040, or 26% of the GDP.
- It is suggested that this growth is largely driven by inequities in the US healthcare system. Unnecessary healthcare spending that stems from structural inequities and biases, specifically related to race, gender, and socioeconomic status, currently costs the country \$320 billion.

# Healthcare In The U.S. – The Costs:

## Inflation for medical care has grown twice as fast as general inflation

In the past two decades, inflation for medical care has consistently outstripped inflation for all other goods and services, with the gap widening in the past decade.



# Efforts to Control Costs – Managed Care

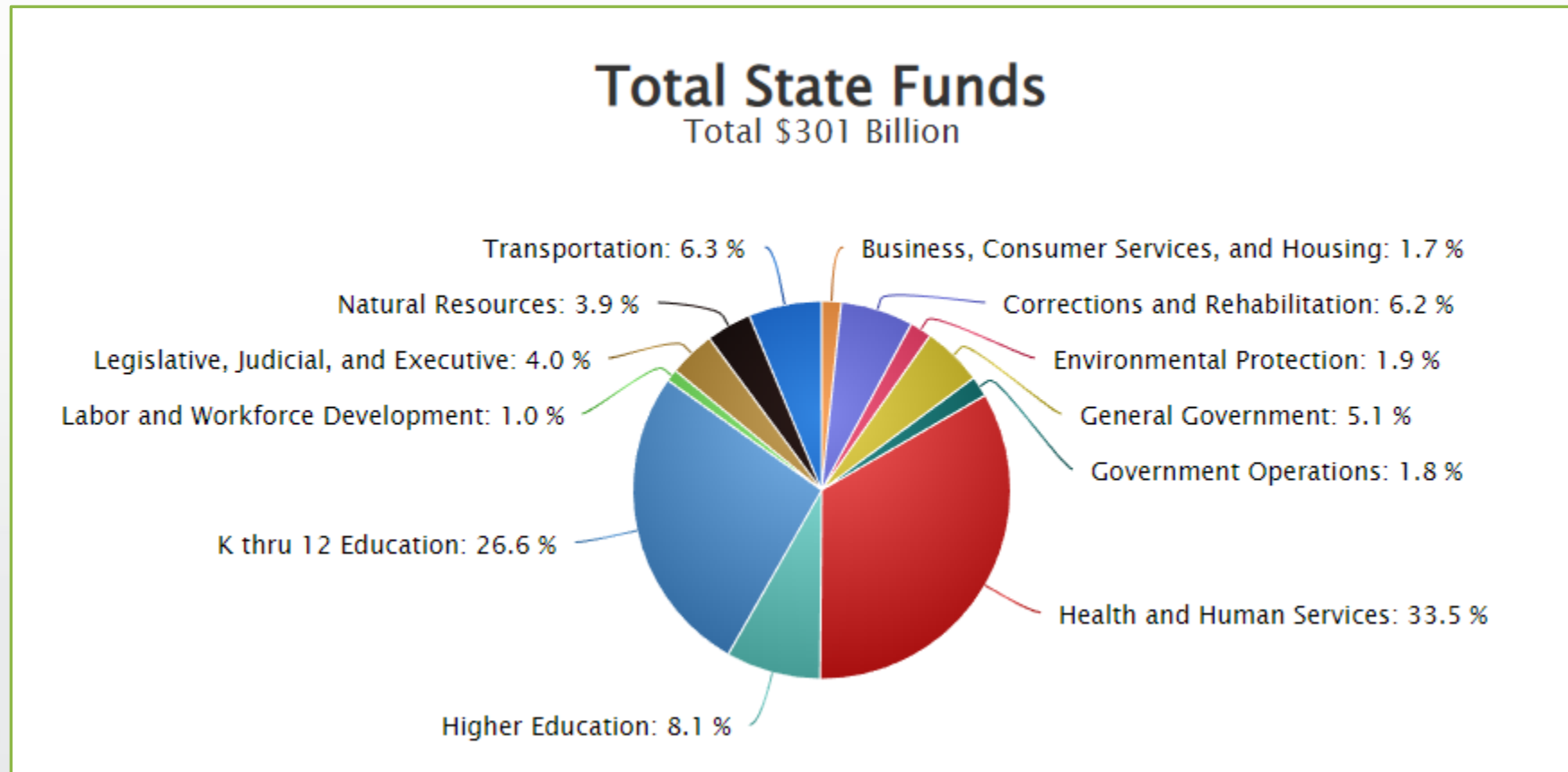
	Indemnity	Managed Indemnity and PPO's	Traditional HMO's	The next generation: managed health
<b>Healthcare cost controls</b>	Focus on claims	Focus on network/plan design	Focus on health care access	Focus on health
<b>Driving forces</b>	Payer driven	Network/plan driven	Provider driven	Consumer driven
<b>Program features</b>	Fee for service Retrospective claim review	In/out of net-work benefit Pre-certification and utilization review Narrow panels	Gatekeepers Referrals and authorizations Capitation Provider risk sharing Narrow panels	Consumer and provider education Disease and demand management Self-care and wellness focus Open networks Less hassle and more choice

# Healthcare CA – Medi-Cal:

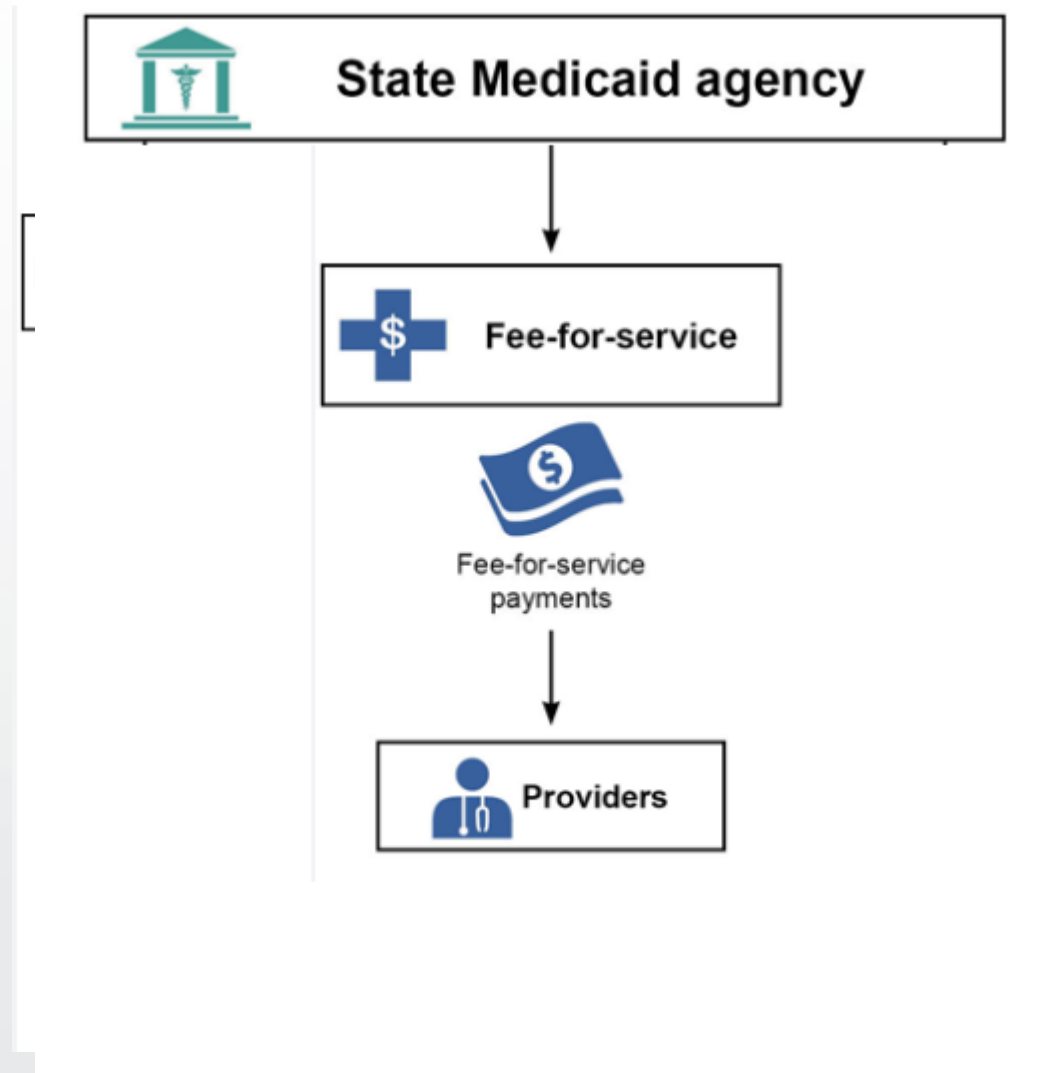
- The Department of Health Care Services (DHCS) administers California's Medicaid (Medi-Cal) program.
- DHCS received approval on December 29, 2021 from CMS for the [CalAIM Section 1915\(b\) waiver](#), effective through December 31, 2026.
- DHCS is responsible for administering the Medi-Cal SMHS waiver program, which provides SMHS to Medi-Cal beneficiaries through county mental health plans (MHPs).
- The MHPs are required to provide or arrange for the provision of SMHS to beneficiaries in their counties that meet medical necessity criteria, consistent with the beneficiaries' mental health treatment needs and goals.

# Healthcare In CA – The Costs:

- State spending on Health and Human Services, which encompasses Medi-Cal, makes up nearly one-third of the state budget.



# Medi-Cal – Shift to Managed Care:



# DMC-ODS & SMHP – Move to MCO

- Counties that choose to participate in DMC-ODS must:
  - Use a benefit design modeled after the American Society for Addiction Medicine (ASAM) criteria, covering a broad continuum of SUD treatment and support services
  - Specify standards for quality and access
  - Require providers to deliver evidence-based care
  - Coordinate with physical and mental health services
  - **Act as a managed care plan for SUD treatment services**

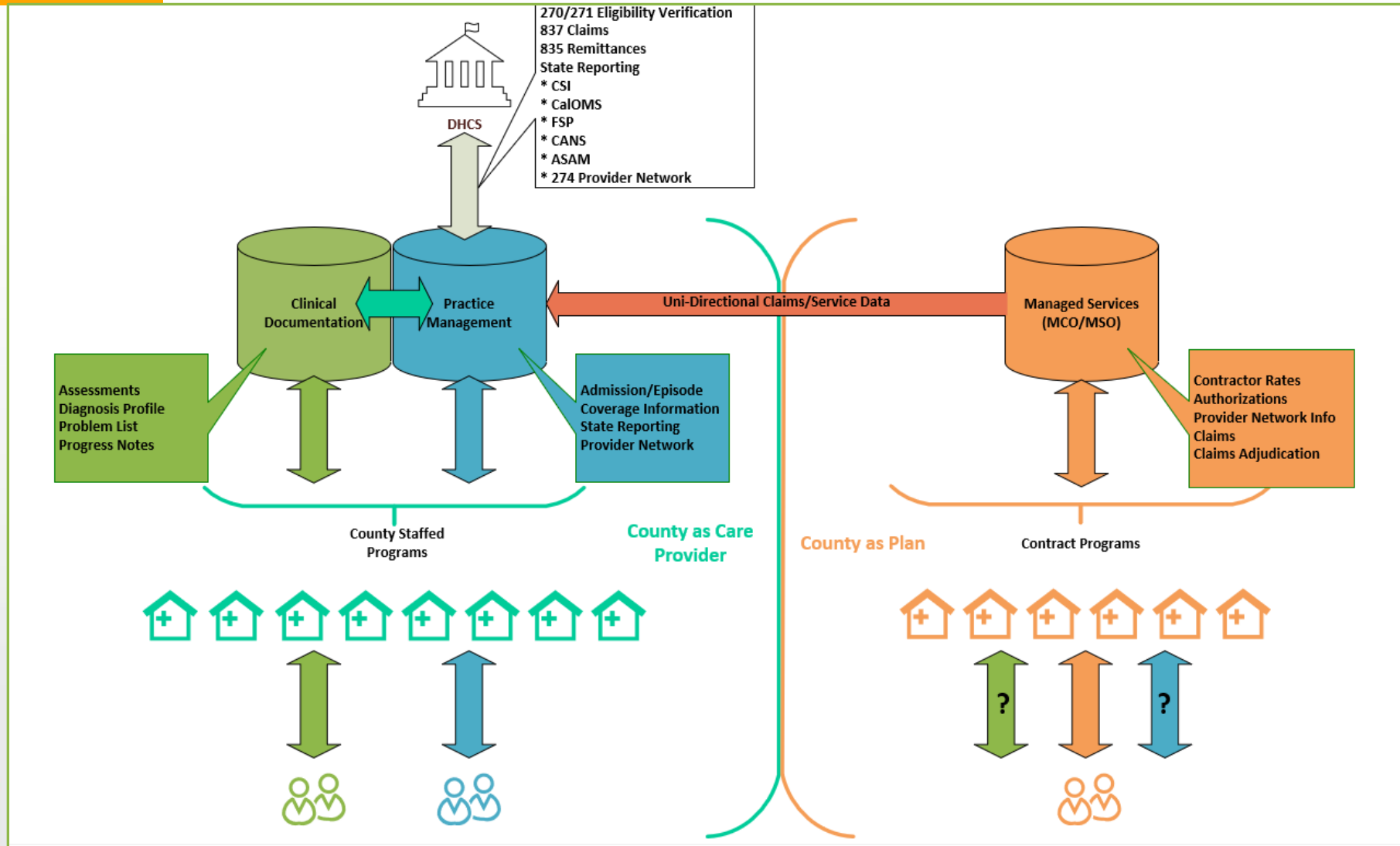


# DMC-ODS & SMHP – Move to MCO

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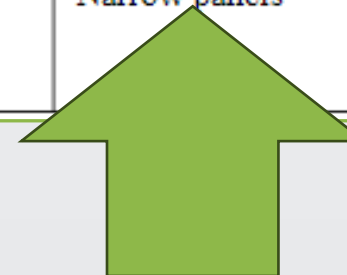


# EHR – MCO Functionality (Past)

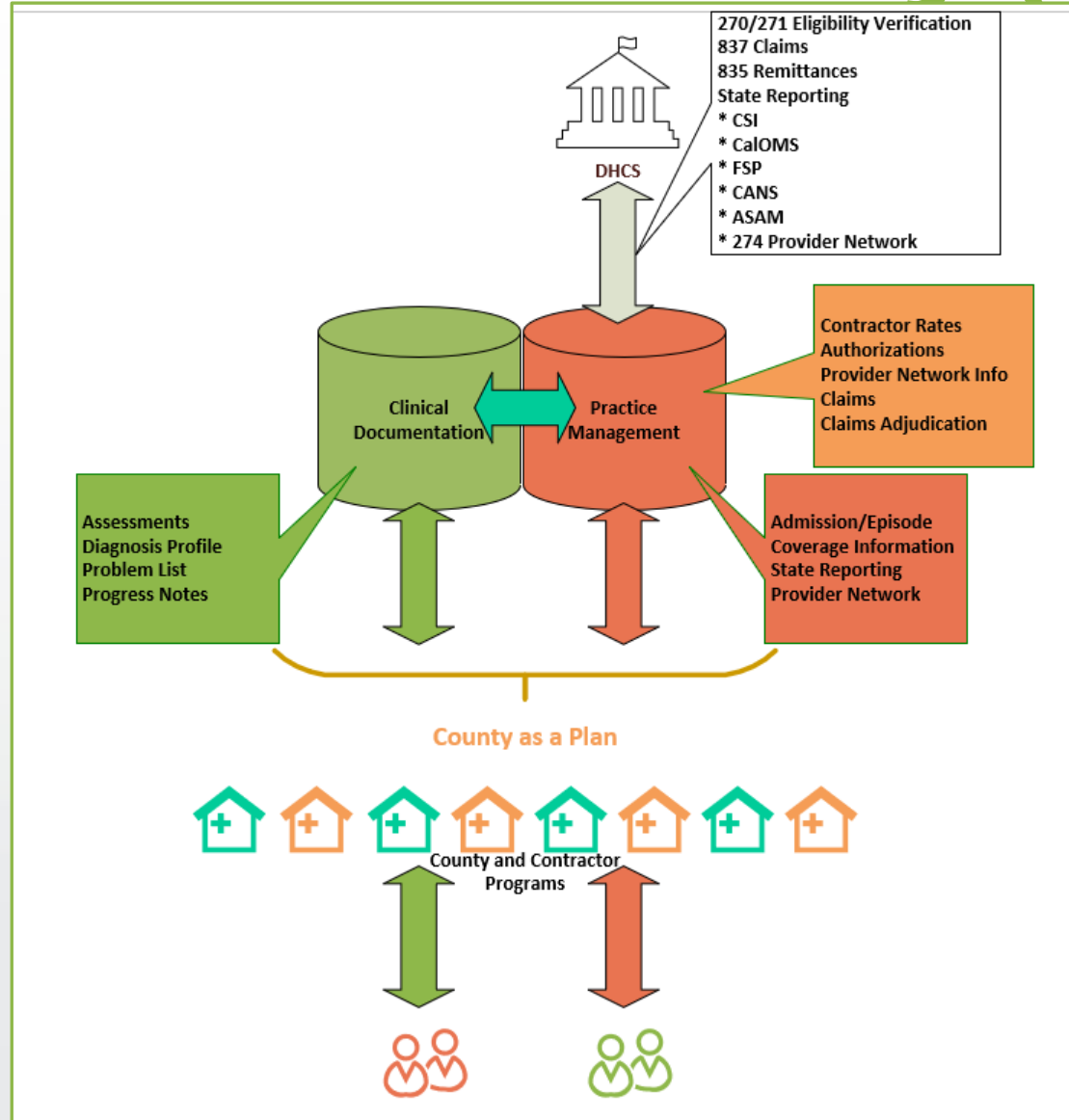


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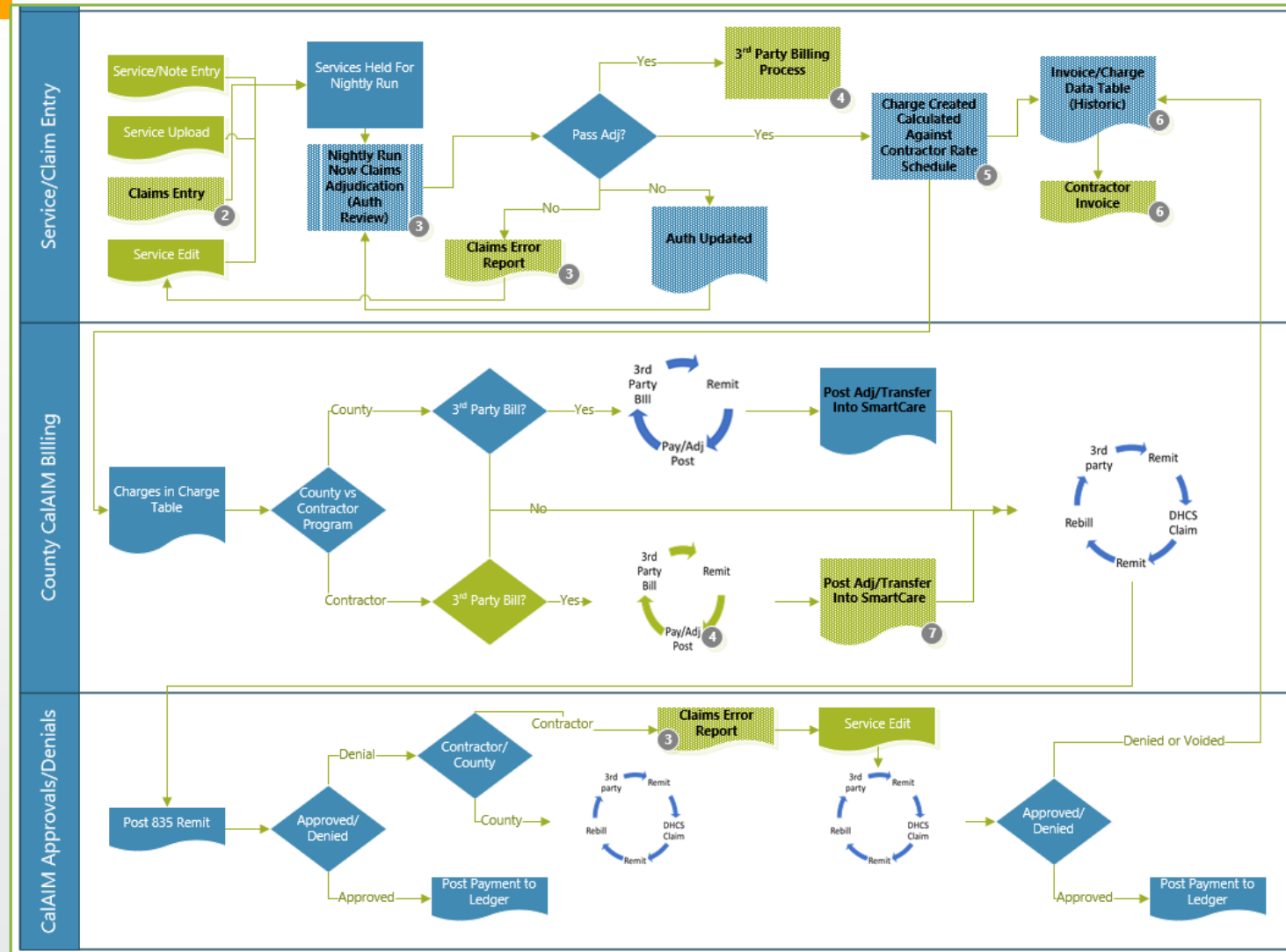
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# EHR – MCO Functionality (Needed Now)



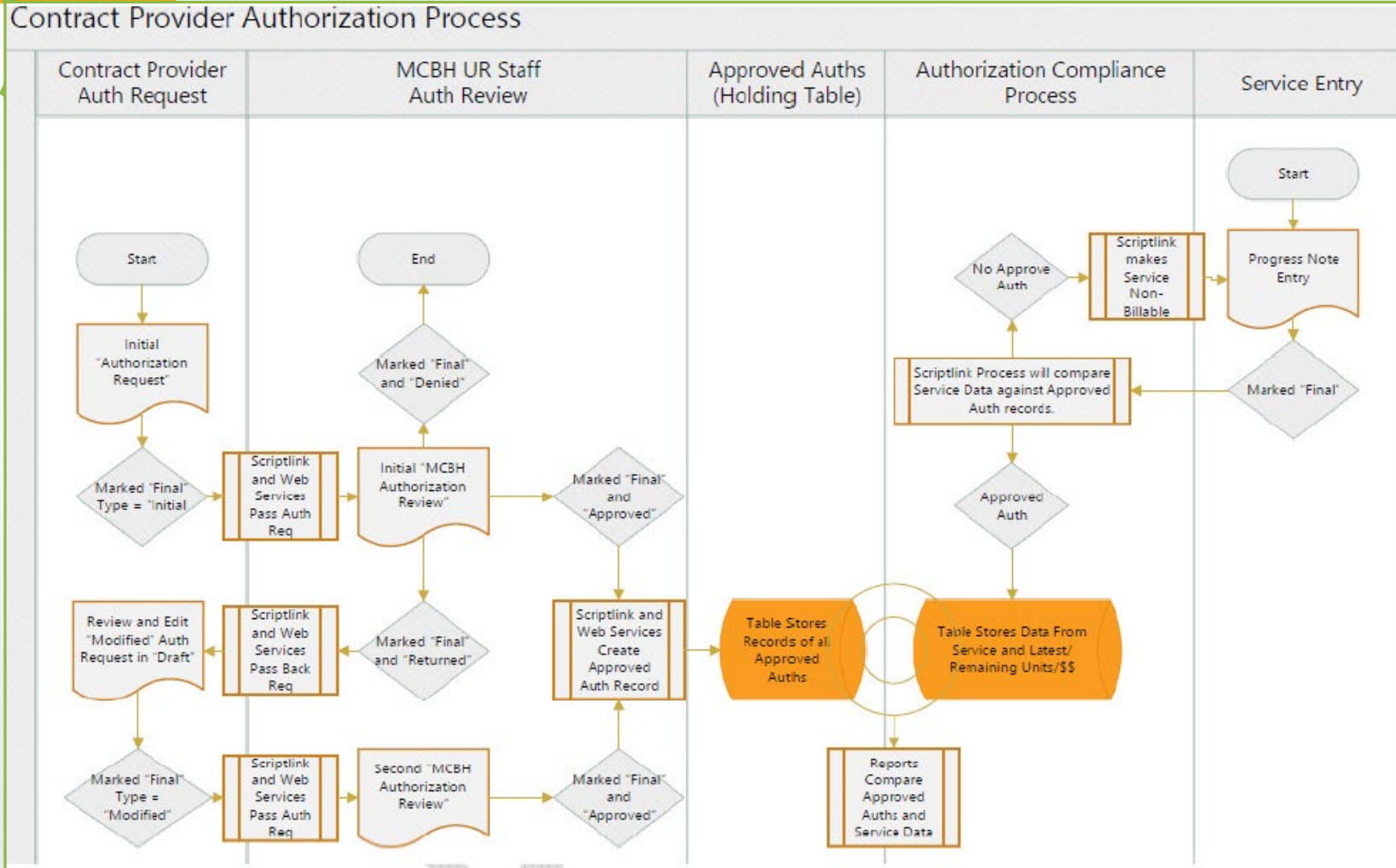
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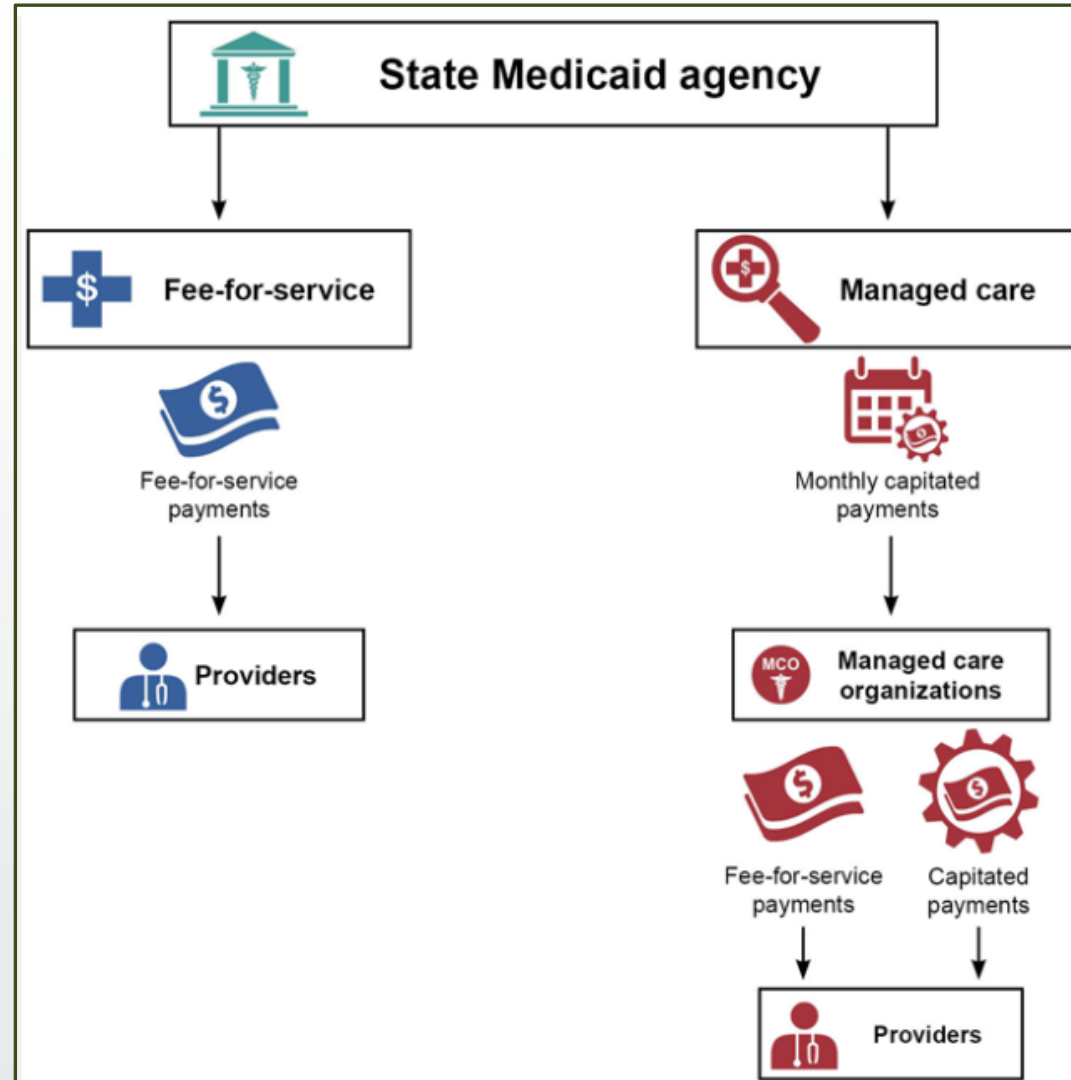
# EHR – MCO Functionality (Needed

Now

Contract Provider Authorization Process



# DMC-ODS & SMHP – Future



# DMC-ODS & SMHP – Capitation

- Capitation moves “Risk” to the Plan/County.
- In order to remain financially viable, effective Management of Client Utilization of Resources is Crucial.
- Initiating Management of Client Utilization now will be key component of Future Success.



# Just the Beginning

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Questions?