

TESTIMONY

AGENDA VII (DUARTE)

LEGISLATIVE COMMITTEE ON HEALTH CARE

Time: Wednesday, January 21, 2004

Location: Grant Sawyer State Office Building Room

DIVISION OF HEALTH CARE FINANCING & POLICY STATUS REPORT FOR THE
IMPLEMENTATION OF MANDATORY MANAGED CARE FOR THE MEDICAID
TANF/CHAP POPULATION IN THE WASHOE COUNTY SERVICE AREA.

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Good Morning Chairwoman Koivoisto and members of the Legislative Committee on Health Care. I am Charles Duarte, Administrator of the Division Health Care Financing & Policy.

Today I will provide a status report for the implementation of mandatory managed care for the Medicaid TANF/CHAP population in the Washoe County service area.

Background

- Since 2000, a single managed care health plan, NevadaCare, has operated in the statutorily authorized service area for Medicaid/Nevada check up within Washoe County.
- Title XXI permits mandatory managed care enrollment for Nevada Check Up when a single managed care plan is available to participants.
- DHCFP sought entry of a second managed care plan into Washoe County in order to improve cost containment of Medicaid services.
- The April 2003 request for proposal (RFP) for health maintenance organizations (HMO) encouraged operations in urban Washoe County by all contract awarded health plans.
- Two managed care health plans completed responses to the April 2003 RFP. They were NevadaCare, Inc. and Health Plan of Nevada, both of which were currently under contract to the Division. NevadaCare proposed to continue operations in Clark county and Washoe county while Health Plan of Nevada proposed to continue operations in Clark County and initiate operations in Washoe County.

EXHIBIT J Committee Name **HealthCare** Document consists of **3** pages☒ Entire document provided.☐ Due to size limitations, pages _____ provided. A copy of the complete document is available through the Research Library (775/684-6827) or e-mail library@lcb.state.nv.us.Meeting Date: **1-21-04**

- State Division of Purchasing awarded contracts to NevadaCare and Health Plan of Nevada to commence July 1, 2003 through June 30, 2005, with two one-year renewal provisions.
- Washoe County provider network development and other preparations by both health plans began in the fall of 2003. NevadaCare and Health Plan of Nevada required additional providers in order to support the anticipated enrollment growth resulting from inclusion of the mandatory Medicaid TANF/CHAP and SCHIP populations.
- DHCFP coordinated with the HMOs for the open enrollment of Nevada Check Up and Medicaid TANF/CHAP recipients.
- The incoming health plan, Health Plan of Nevada, was already licensed to operate in the Washoe County service area since 1994 as a result of the presence here of their commercial business lines.

Implementation Timeline

Week of December 6, 2003:

- Notification letters mailed to program eligible recipients residing in zip codes within urban Washoe County providing information about mandatory managed care and requesting that they choose an HMO by January 23, 2004 and mail their selection to the State.
- The HMOs also mailed information packets to all recipients who received the managed care notification letter explaining their respective benefits and provider listings.

January 2004 monthly enrollment cut off:

- Recipients who have made their HMO choice will be enrolled accordingly, effective February 1, 2004.
- Recipients who have not made a HMO choice will be automatically assigned to either Health Plan of Nevada or NevadaCare based on a contractual algorithm of 2:1, respectively.

February 1, 2004 and beyond:

- Recipients may change their HMO choice or assignment at any time for any reason.
- DHCFP monitors HMO provider network adequacy and other contract provisions on an on-going basis.

Access to Care

- Standard
The DHCFP Managed Care Contract requires one primary care provider for every one thousand five hundred recipients enrolled in the HMO.

- Actual

The cumulative contracted provider networks will comply with the PCP to recipient ratio contract standard for each HMO. However, the DHCFP is unable to establish actual ratios for each network's adequacy prior to receipt of final enrollment numbers and provider network numbers for each health plan.

Maternity Care Access (refer to table entitled "*Washoe County HMO Primary Care Providers*")

- Number of Medicaid TANF/CHAP women of childbearing age = 3,115
- Number of contracted physicians, mid-wives, nurse practitioners, physician assistants who provide obstetrical and delivery services:

NevadaCare	30	(of these, 11 are physicians)
Health Plan of Nevada	19	(of these, 10 are physicians)

I would be pleased to answer any questions the committee may have at this time.