



# Public-Private Partnerships: How Managed Care Works for Medicaid

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# AmeriHealth Mercy Overview

- **Grew from a pilot managed care program for 300 Philadelphia residents in 1983, into a diversified managed health care business:**
  - **Offering a range of managed care products and services for publicly insured populations**
  - **Operating in 11 states**
  - **Employing 1,800 people in 6 states**
  - **Carrying out our mission every day for the benefit of over 2 million of our most vulnerable citizens - the members we serve**
- **Partnership of a provider, Mercy Health System, and Independence Blue Cross**

The AmeriHealth Mercy Family of Companies delivers excellence in publicly funded managed care services and products.

## Our Mission

- We help people:
- Get care
  - Stay well
  - Build healthy communities

We have a special concern for those who are poor.



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# Our Affiliates, Products and Services: Health Plans

- **Managed Care Risk**
  - **Keystone Mercy Health Plan**
  - **AmeriHealth Mercy Health Plan**
  - **Select Health of South Carolina**
  - **MDwise Hoosier Alliance**
- **Management Services/Administrative Services**
  - **Passport Health Plan, Louisville, KY (PSN)**
  - **Pediatric Associates Health Plan**
  - **Horizon NJ Health**



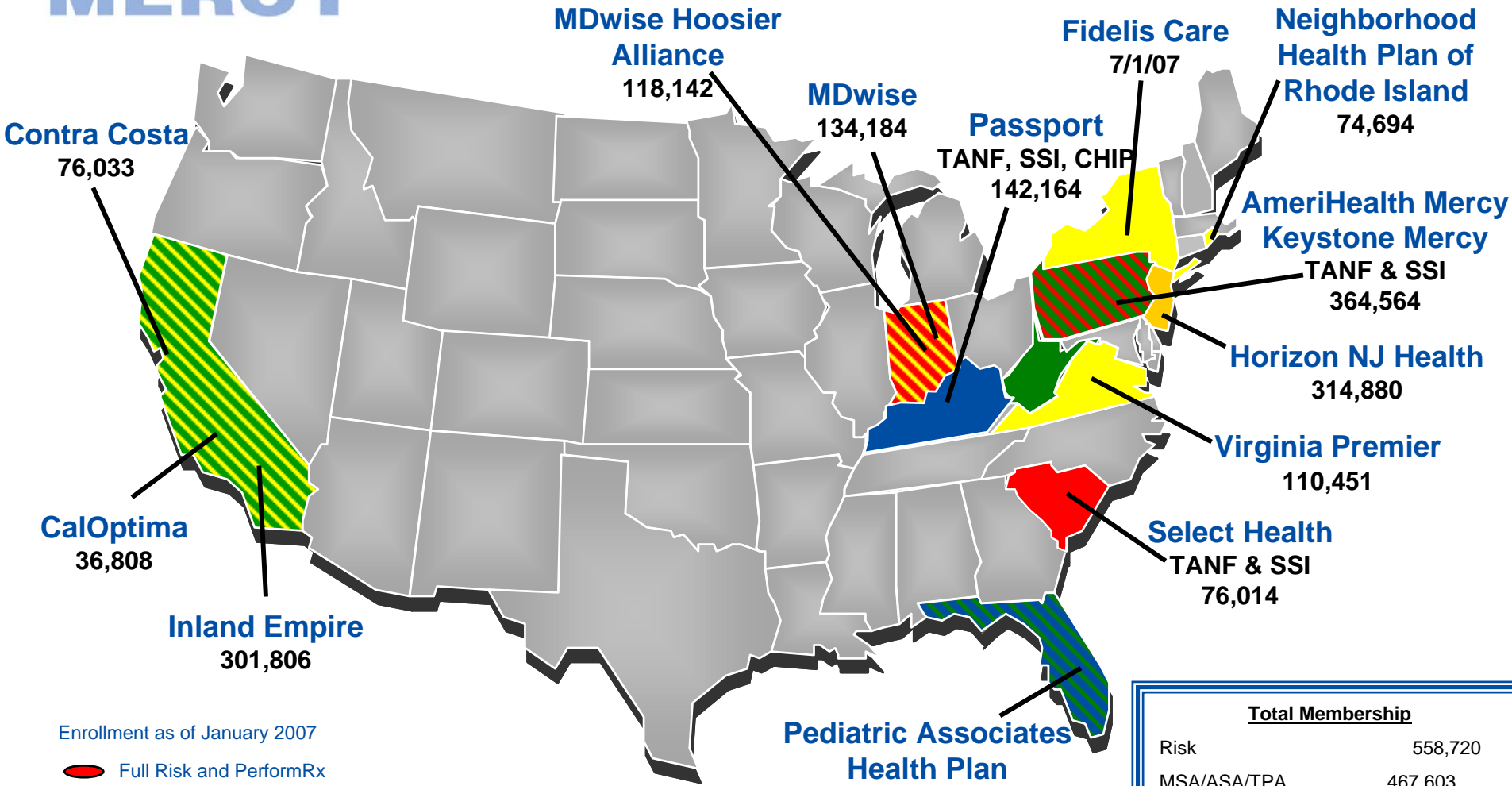
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# Our Affiliates, Products and Services: Specialized Services

- **PerformRx Pharmacy Benefit Management**
  - Medicaid and Medicare Part D
- **PerforMED Specialized Care Management**
- **Healthy Hoops Asthma Management Program**



# AmeriHealth Mercy Family of Companies Current Markets



- Full Risk and PerformRx
- MSA and PerformRx
- ASA
- PerformRx – Medicaid only
- PerformRx – Medicare Part D only

<u>Total Membership</u>	
Risk	558,720
MSA/ASA/TPA	467,603
Pharmacy-Medicaid	1,116,696
PDP/Medicare Advantage	<u>99,205</u>
<b>Total</b>	<b>2,242,224</b>

# Why Public/Private Partnerships Developed in Medicaid

- **Precedent set by Medicare's use of fiscal intermediaries and carriers**
- **States looked to managed care models to address lack of primary care access and preventive health services for the Medicaid population**
- **States opted to use expertise and systems already in place in the private sector**

# Benefits of Public/Private Partnerships

- **The private managed care organizations offered:**
  - **Innovations in care management**
  - **Advanced technology with no direct state investment**
  - **Increased access to providers**
  - **A predictable budget for the states, usually with guaranteed savings**



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# AmeriHealth Mercy's Experience with Public/Private Partnerships

- **Pennsylvania - Two full-risk plans in a mandatory and voluntary environment**
  - Improved health measures, such as well-child visits and immunizations
  - Mandatory programs saved Commonwealth an estimated \$2.7 billion over five years according to a Lewin Group study
- **Kentucky - Provider-owned plan in Louisville area with 140,000+ members:**
  - Award-winning prenatal program
  - Documented savings to Commonwealth and improvements on health measures

# AmeriHealth Mercy's Experience with Public/Private Partnerships

- **South Carolina - Full-risk plan with almost 80,000 members in voluntary environment**
  - Similar results in terms of health outcomes and cost savings
  - State planning to expand Medicaid managed care due to voluntary program success
- **New plans in Indiana and Florida:**
  - MDwise Hoosier Alliance - 127,000 members
  - Pediatric Associates Health Plan (MSA) - 10,000 members

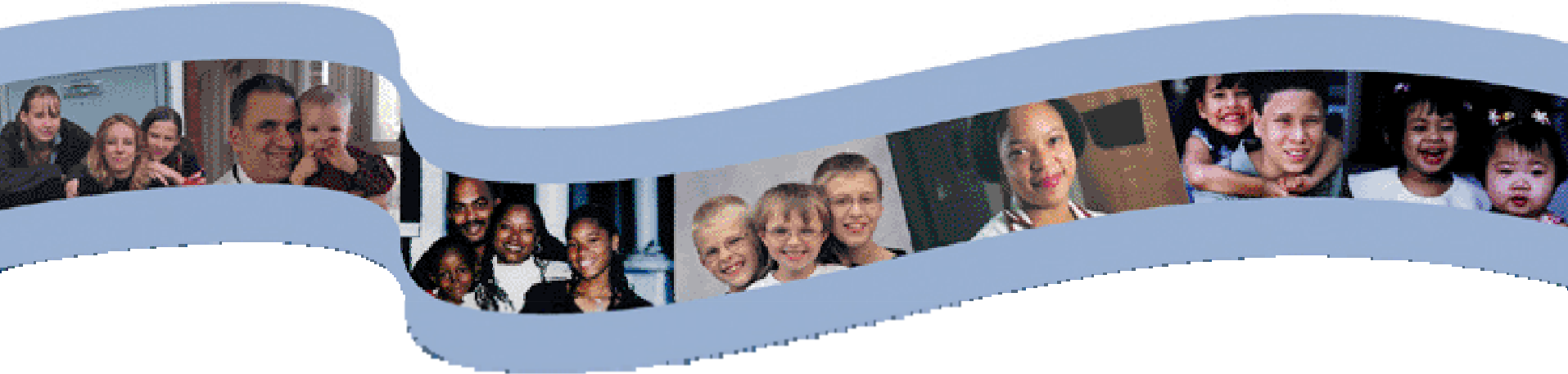
# AmeriHealth Mercy Innovative Programs for Members

- **PerformRx - PBM with advanced capabilities and medical management integration**
- **PerforMED - care management program for high-risk, high-cost members**
- **Healthy Hoops - asthma management program for children using basketball as a platform and incentive**
- **Community health and social programs, e.g.:**
  - Mission Partnership
  - Health Ministry for Women program
  - Sponsored playground build at inner city school

# Operational Innovations

- **Enhanced use of technology**
- **Predictive modeling for care management**
- **PCS ER pilot - electronic medical records at clinical sites**
- **Medical management collaborative strategy across plans - “best practices” approach and efficiencies of standard technology**
- **Collaborative approach to providers:**
  - Contracts that reward quality care
  - Support of urgent care clinic in underserved area
  - Support of FQHC’s asthma center of excellence

- **Public/Private Partnerships in Medicaid have:**
  - Increased access to care
  - Improved health measures such as preventive care, immunization rates, and prenatal care
  - Provided cost savings to states and budget predictability
  - Offered advanced uses of technology
  - Encouraged development of innovative programs that address both health and social issues within local communities



# Questions?



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