

Health Plan Performance Series

Showcasing The Value Of Medicaid Managed Care

JUNE 2015

Summary

Neighborhood Health Plan of Rhode Island's (Neighborhood) program for adults with disabilities delivers quality health care and high satisfaction while reducing medical expense by 13.5% among long-term enrollees. This model is a proven method of improving quality while stabilizing costs for Rhode Island's Medicaid program.

The cost-effectiveness of Neighborhood's managed care model is demonstrated by reviewing the medical expenses of these members over time. In examining the data, the same pattern is seen: an intense investment in medical services, care coordination and individualized care plans is followed by reduced utilization of medical services, reduction and stabilization of medical spending, and improved quality measures in the succeeding years.

Background

Neighborhood, a managed care organization (MCO) with over 20 years of history partnering with the State of Rhode Island's Medicaid program, began enrolling adults with disabilities in April 2008 through the state's Rhody Health Partners (RHP) program. Rhode Island residents who were deemed eligible for RHP joined Neighborhood's **TRUST** plan. Approximately 6,750 individuals were enrolled in **TRUST** as of May 2015.

Managed Care is defined by the Centers for Medicare and Medicaid as "a health care delivery system organized to manage cost, utilization, and quality. Medicaid managed care provides for the delivery of Medicaid health benefits and additional services through contracted arrangements between state Medicaid agencies and MCOs that accept a set per member per month (capitation) payment for these services."



TRUST

Program Results

LOWER COST

- Neighborhood reduced medical costs for TRUST members by 13.5 percent by the second full year of enrollment.

HIGHER QUALITY

- TRUST members meet and surpass national benchmarks in HEDIS® quality measures.
- Newly enrolled members in TRUST show improved health care management and reduced utilization in the first 2 years of membership.

GREATER SATISFACTION

- TRUST members report high satisfaction with their health plan, physician, access to care, and coordination of care.

HEDIS® is a registered trademark of the National Committee for Quality Assurance (NCQA).

Managing Cost in Rhody Health Partners

Neighborhood analyzed the cost and utilization patterns of three cohorts of **TRUST** members who were enrolled for at least two continuous years. The experience of all three demonstrates the same pattern of stabilized medical costs and reduced utilization of high-cost services for RHP members.

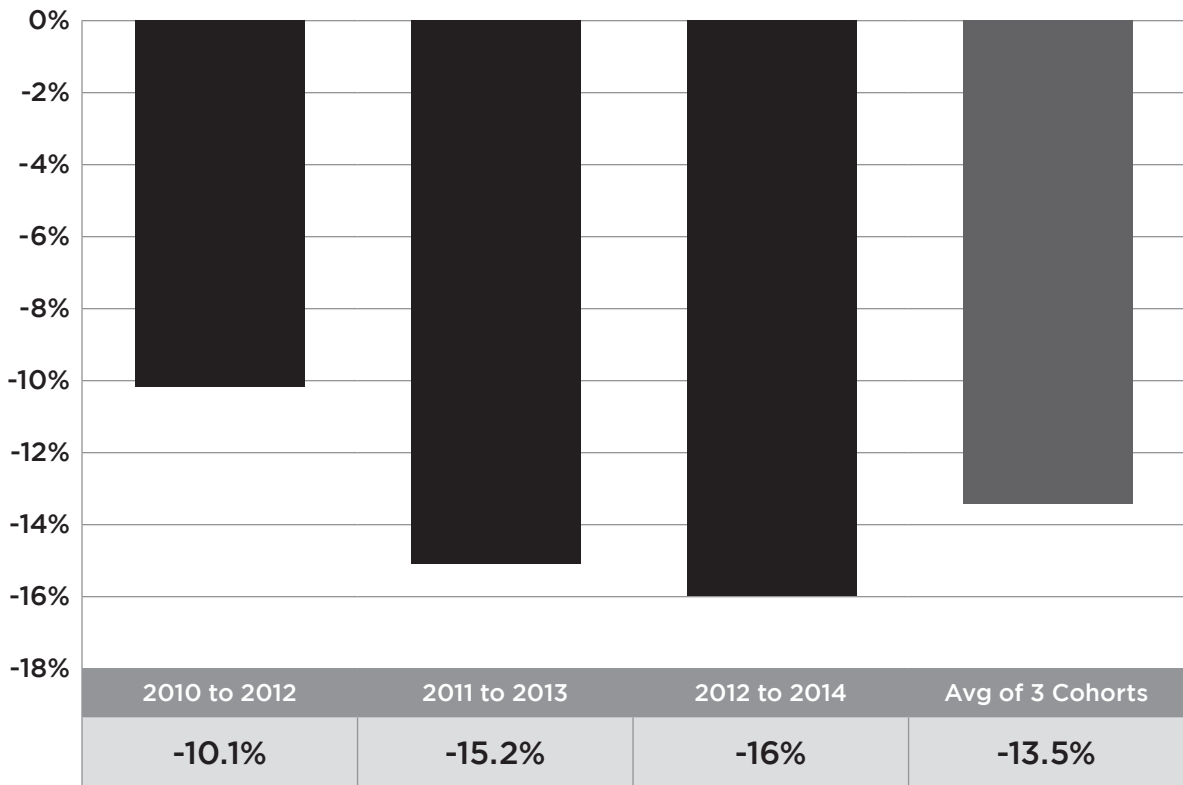


Table 1: Change in Per Member Per Month Costs over 2+ Years by Cohort and Year

Reducing Utilization of Emergency Rooms Among Complex Patients

One metric that indicates successful care management is a reduction in emergency room visits. Members who are better supported as they navigate a complex health care system will increasingly receive services from their primary medical home and have reduced need to use emergency services for untreated or unmanaged conditions. Data from the most recent cohort (enrolled between 10/2011 and 9/2012) indicates a decrease in both emergency room visits and per member per month (PMPM) cost associated with emergency services. This change is one element of the overall reduction in medical spending among this group.

Measure	Change Over 2+ Years Enrollment
Emergency Room Services PMPM	-22.8%
Emergency Room Visits/1000	-33.2%
Total PMPM	-16.0%

Table 2: Emergency Room Utilization and Cost Decreased

Achieving Satisfaction Among TRUST Members

Consumer Assessment of Healthcare Providers and Systems (CAHPS®) is a survey used to measure member satisfaction. 2014 CAHPS results demonstrate that 97% of **TRUST** members would recommend Neighborhood to friends or family. In particular, **TRUST** members report high levels of satisfaction with their health plan, their physician, their access to care, and their coordination of care.

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Providing High Quality Care

The Healthcare Effectiveness Data and Information Set (HEDIS) is a tool used by more than 90% of America's health plans to measure performance on important dimensions of care and service. The National Committee for Quality Assurance (NCQA) Quality Compass database includes both summary-level and respondent-level HEDIS data, and provides trend data at the national level, allowing for benchmark comparisons of averages and percentiles.

Over the last four years, the experience of **TRUST** members has consistently ranked Neighborhood in the top quartile among all Medicaid health plans for at least half of the 26 HEDIS measures reported by line of business and the top half in at least 73% of all measures.

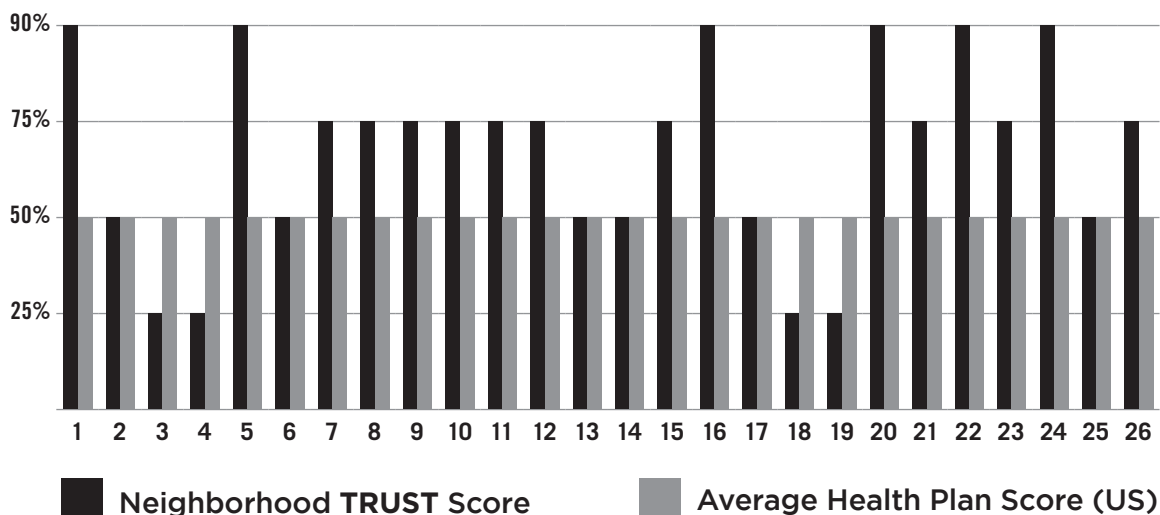


Table 3: Neighborhood TRUST Member Scores on HEDIS (2014)