

Reducing Hospital Readmissions

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National Medicaid Inpatient Stats.

Nationally, Medicaid accounts for:

- 20 percent of all inpatient stays (7.6 million per year).
- 17 percent of total hospital revenue (twice as much as two decades ago).

What is California Doing about hospital readmissions

Medi-Cal programs that reduce readmissions

- Medical Case Management
- Predictive Modeling
- Disease Management
- Coordinated Care Management
- 1115 Waiver Renewal opportunities
- Enhance Medical Home Models

Medical Case Management (MCM)

- California State Nurses work with:
 - ▶ Hospitals
 - ▶ Home health agencies
 - ▶ Physicians
- To plan:
 - ▶ discharge
 - ▶ continuity of care
 - ▶ follow-up
- For beneficiaries with chronic and catastrophic illnesses:
 - ▶ Repeated hospital admissions
 - ▶ Complex chronic conditions
 - ▶ Traumatic injuries

MCM Evaluation: Preliminary Indications

- Post-inpatient costs are greatly reduced.
- New conditions are stabilized in the first month.
- Significant decrease in development of complications or co-morbidities.
- Reduced hospitalizations and readmissions.

MCM predictive modeling pilot

- Identify current and future frequent users of health care.
- Use available data to match specific interventions to the population in anticipation of need.
- Risk stratification - different interventions for different risk levels, (i.e. need).
- Targets greatest resources to those with the most need.

Disease Management (DM) Pilot Overview

Two three-year contracts to provide DM services:

- **McKesson Health Solutions**
 - ▶ 6 chronic conditions covered
 - ▶ Alameda County and Los Angeles County
 - ▶ Approximately 18,000 enrolled members
 - ▶ Operations began August 2007
- **AIDS Healthcare Foundation**
 - ▶ HIV/AIDS conditions covered
 - ▶ Statewide
 - ▶ Approximately 5,000 eligible members
 - ▶ Operations began February 2009

Coordinated Care Management Pilot Programs

- Targets fee-for-service beneficiaries who:
 - ▶ Have chronic conditions, and
 - ▶ Are near the end-of-life, or
 - ▶ Have Serious Mental Illness
- Provides coordinated care to decrease the fragmentation of care.
- To improve health outcomes and decrease the long term costs.
- Will be tested in up to five counties with operations expected to begin in late 2009.

Key elements of the renewed 1115 waiver

- Restructure Medi-Cal fee-for-service delivery system.
- Establishment of organized health care delivery systems:
 - ▶ Enhanced medical home
 - ▶ Care coordination and disease management
 - ▶ Incentives that reward providers and beneficiaries for good performance

Enhanced Medical Home (EMH) Strategies

- Growing momentum to move beyond FFS to more coordinated approaches (EPCCM, medical home)
- Increasing interest in:
 - ▶ Alternative financing methods
 - ▶ Performance measurement and monitoring
 - ▶ Predictive Modeling
 - ▶ Role of Medical Homes
 - ▶ Care coordination and disease management
 - ▶ Physical and Behavioral Health Integration
 - ▶ Accountability

Elements of EMH

- A participant is linked with a primary care provider who will serve as their medical home.
- May include support from other care coordination entities.
- The medical home:
 - ▶ Assesses, coordinates and plans the participant's care
 - ▶ Provides primary and preventive care services
 - ▶ Authorizes referrals to specialists
 - ▶ Provides linkages to other care and equipment providers
 - ▶ Integrates IT to support quality