

SOONERCARE HMP EVALUATION

SFY 2010

Introduction

Chronic diseases are among the most costly of all health problems. Treatment of chronic disease accounts for more than 75 percent of total U.S. health care spending. Providing care to individuals with chronic diseases, many of whom meet the federal disability standard, has placed a significant burden on state Medicaid budgets.

Under the Oklahoma Medicaid Reform Act of 2006 (HB2842), the Legislature directed the Oklahoma Health Care Authority (OHCA) to develop and implement a management program for chronic diseases, including, but not limited to: asthma; chronic obstructive pulmonary disease (COPD); congestive heart failure (CHF); diabetes and renal disease. The SoonerCare Health Management Program (HMP) would address the health needs of chronically ill SoonerCare members while reducing unnecessary medical expenditures at a time of significant fiscal constraints.

Traditional disease management programs focus on individual conditions rather than the total patient. The OHCA moved beyond this concept by creating an innovative, holistic care management program that emphasizes development of member self-management skills and provider adherence to evidence-based guidelines and best practices. The program targets SoonerCare members with the most complex needs, most of whom have multiple physical conditions and many of whom have physical and behavioral health comorbidities.

The SoonerCare HMP was launched in February 2008. The program includes two major components: nurse care management and practice facilitation/provider education.

Nurse Care Management

Nurse care management targets SoonerCare members with chronic conditions identified as being at high risk for both adverse outcomes and significant forecasted medical costs. The members are stratified into two levels of care, with the highest-risk segment placed in "Tier 1" and the remainder in "Tier 2." Prospective participants are contacted and enrolled in their appropriate tier; after enrollment, participants are engaged through initiation of care management activities.

Tier 1 participants receive face-to-face nurse care management while Tier 2 participants receive telephonic nurse care management. The OHCA's objective is to provide services at any given time to about 1,000 members in Tier 1 and about 4,000 members in Tier 2. The program operated at close to full enrollment throughout State Fiscal Year (SFY) 2010 (July 2009 – June 2010).

Practice Facilitation/Provider Education

A team of registered nurse practice facilitators provides one-on-one in-office assistance to OHCA-designated primary care providers. The program is voluntary and offered at no charge to the provider. Practice facilitators collaborate with primary care providers and their office staffs to improve their efficiency and quality of care through implementation of enhanced disease management and improved patient tracking and

reporting systems. The OHCA's objective is to provide practice facilitation services to 50 to 100 primary care providers each year.

The provider education component targets primary care providers throughout the state who treat patients with chronic illnesses. Providers are sent educational materials on a regular basis. They also are invited to attend collaboratives focused on health management and evidence-based guidelines.

Vendor

The OHCA contracted with the Iowa Foundation for Medical Care (IFMC) to implement and operate the SoonerCare HMP. IFMC is a national quality improvement and medical management firm specializing in care, quality and information management services. IFMC staff members provide nurse care management to SoonerCare HMP participants and practice facilitation to OHCA-designated primary care providers.

SoonerCare HMP Evaluation

The Pacific Health Policy Group (PHPG) and APS Healthcare recently completed an evaluation of the SoonerCare HMP's second full year of operations (State Fiscal Year 2010). The evaluation addressed four critical questions:

1. Have IFMC and the OHCA put the necessary structure and processes in place for achieving program objectives?
2. Are participants satisfied with their experience?
3. Is the SoonerCare HMP improving quality of care?
4. Is the SoonerCare HMP demonstrating cost effectiveness?

PHPG and APS Healthcare collected data for the evaluation through a variety of methods. These included an onsite audit of IFMC, claims and medical record reviews and surveys of nurse care management participants and physicians participating in the practice facilitation initiative.

Question 1: Have IFMC and the OHCA put the necessary structure and processes in place for achieving program objectives?

The OHCA oversees SoonerCare HMP activities through a dedicated unit whose medical director is an Oklahoma-licensed physician. The unit facilitates the identification and recruitment of eligible beneficiaries and providers and conducts monitoring activities on an ongoing basis. IFMC operates out of offices in Oklahoma City and West Des Moines, Iowa. The firm also has field staff located throughout the state.

PHPG's onsite audit verified that IFMC's nurse care management unit is fully staffed and performing activities in accordance with contract standards. This includes completing comprehensive assessments of new participants; developing individualized plans of care; making, at a minimum, monthly contact to educate participants on self-management skills; and assisting with appointments or other immediate needs.

At the time of the audit, IFMC was recruiting to fill one vacancy in the Practice Facilitation unit, to reach a full complement of eight facilitators. IFMC otherwise was in compliance with key program requirements, including conducting onsite assessments of provider adherence to clinical and office management best practices and providing ongoing assistance with quality improvement activities. Quality improvement is

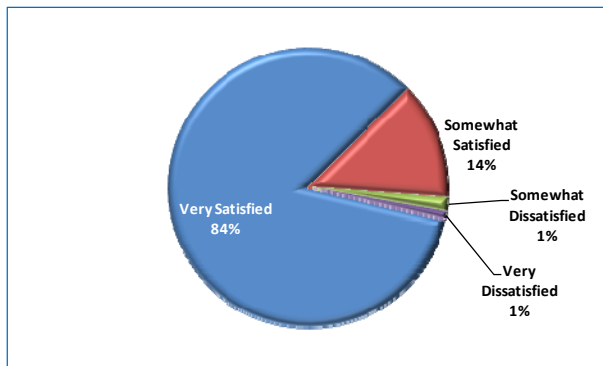
enhanced by using CareMeasures™, an electronic patient registry that facilitates the management of chronically ill patients. Providers also use CareMeasures™ to report to IFMC on their adherence to patient care guidelines and, depending on their performance, can qualify for incentive payments

Question 2: Are participants satisfied with their experience?

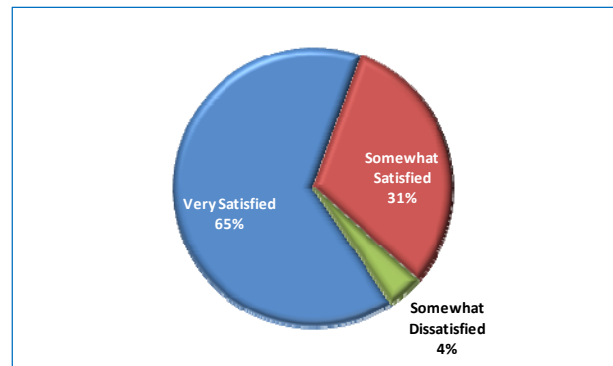
Participants in nurse care management continue to give the program high marks, as they did in SFY 2009. When asked to rate their experience, overwhelming majorities in both tiers declared themselves very satisfied. About one-third of participants believe their health has improved due to participation in the program.

Practice facilitation providers also are satisfied and consider the program to be of significant value. Survey respondents credited the program with improving their adherence to clinical guidelines. Ninety-four percent would recommend the program to a colleague.

NCM Participant Satisfaction



Practice Facilitation Provider Satisfaction



Question 3: Is the SoonerCare HMP improving quality of care?

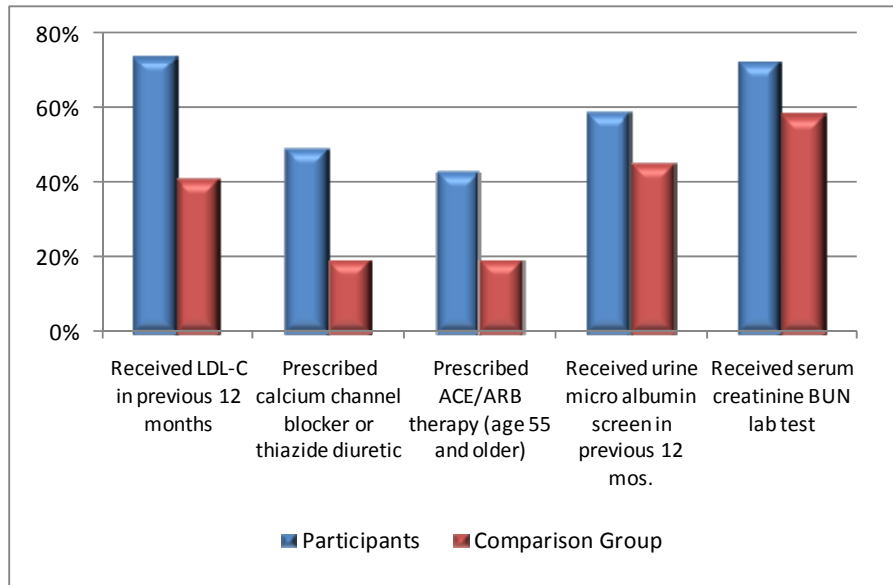
Nurse care managers devote their time to improving members’ quality of care and quality of life. This includes helping to schedule appointments and educating members about the importance of managing their illness and seeing their provider for preventive and diagnostic services. Ultimately, if participants adhere to chronic care guidelines, there should be a reduction in their risk profile and need for expensive acute care services.

To measure the program’s impact on quality of care, APS Healthcare evaluated the preventive and diagnostic services provided to SoonerCare HMP participants with six targeted chronic conditions: asthma, CHF, COPD, coronary artery disease, diabetes and hypertension. The evaluation was performed through a combination of administrative (paid claims) and medical record reviews. APS also calculated the SFY 2010 compliance rates for a “comparison group” consisting of SoonerCare members found eligible for, but not enrolled in the SoonerCare HMP. The comparison group compliance rates were calculated for the measures derived from administrative data.

The results of the analysis were promising. The participant compliance rate exceeded the comparison group rate by a statistically significant amount on 11 of 20 diagnosis-specific administrative data measures, suggesting that the program is having a positive effect on quality of care. The most impressive results, relative to the comparison group, were observed for participants with diabetes and hypertension, two of the

most prevalent conditions in the program. The participant population compliance rate exceeded the comparison group rate by a statistically significant amount on four of five diabetes measures and five of five hypertension measures. (The results for hypertension are shown below.)

Quality of Care Example – Hypertension Measures



Question 4: Is the SoonerCare HMP demonstrating cost-effectiveness?

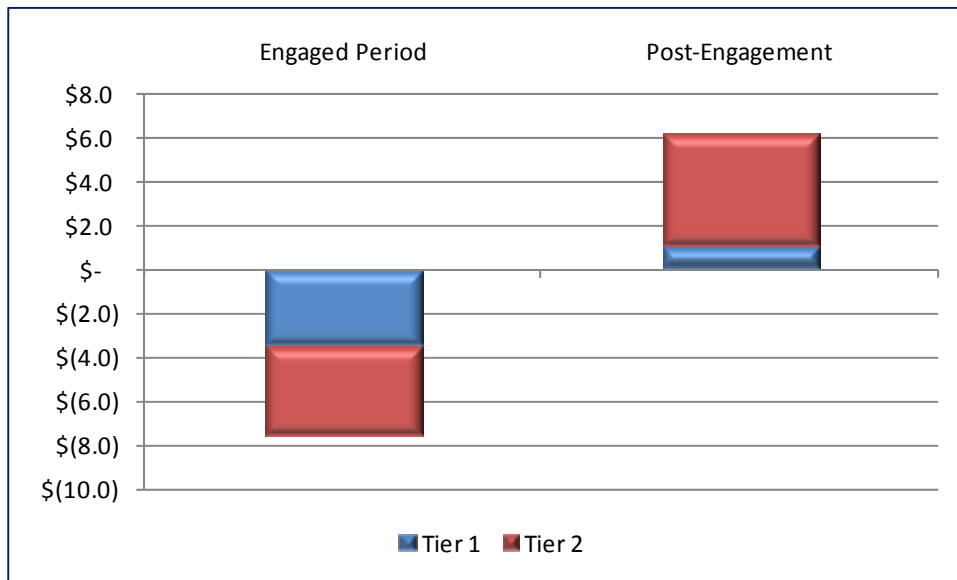
The SoonerCare HMP ultimately must demonstrate its impact by reducing the need for hospital, emergency room and other expensive services among the chronically ill. The program is showing promise in reducing utilization and costs among participants. For example, Tier 1 participant hospital days were only 55 percent of what was forecasted to occur absent nurse care management; the rate for Tier 2 participants was only 63 percent of forecast. Emergency department visit rate trends were similarly positive.

PHPG also examined total expenditures for participants in each tier, both during and post-engagement (where applicable), and compared the actual expenditures to forecasted costs absent nurse care management. The analysis took into account program administrative expenditures, including IFMC vendor payments and OHCA salaries.

The program registered a small deficit in SFY 2010 of \$1.3 million against total expenditures of \$178 million. However, the results are more encouraging than suggested by the aggregate figure.

Expenditures for active participants were \$7.6 million above forecast (shown as a deficit in the exhibit), but were \$6.3 million below forecast for individuals in post-engagement. This is significant because the SoonerCare HMP is designed to incur front loaded expenses in the form of higher primary and preventive care costs, with the expectation that participant costs will decline in out years, as self-management skills take hold and health improves. If this trend continues, the nurse care management portion of the program could demonstrate net savings as early as next year.

**Nurse Care Management Savings/(Deficit) versus Forecast
(Millions of Dollars)**



PHPG also examined expenditures for chronically ill patients being treated by practice facilitation providers to test the initiative’s cost effectiveness. PHPG compared actual expenditures between SFY 2008 and 2010 to what might have occurred absent practice facilitation. The results were positive, with Practice Facilitation showing a net savings, after accounting for administrative expenses, of \$6.5 million (state and federal), or 2.8 percent.

Conclusion

The SoonerCare HMP completed its second full year of operations with a well-defined structure and processes for conducting nurse care management and practice facilitation/provider education. Participants, both members and providers, are very satisfied with the program and their decision to enroll. Quality-of-care measures and cost indicators both are moving in a positive direction. The program demonstrated net savings of \$5.2 million across its two components and, if current trend lines continue, should achieve even greater savings in the next year.