July 1, 2011

Via Electronic Transmission

Julie Hamos, Director
Illinois Department of Healthcare and Family Services
201 South Grand Ave. East
Springfield, IL 62763-0002

REF: Coordinated Care Program Policy Comments

Director Hamos,

On behalf of Carle Foundation Hospital and Physician Group, we appreciate the opportunity to comment upon the key policy issues surrounding the development of a coordinated care program under the Medicaid program. As an organization, Carle is committed to patient-centered quality care and we recognize the intrinsic value offered by the thoughtful coordination of care. Please find below our specific comments and suggestions for synthesis into the larger discussion from other stakeholders. We applaud your efforts to engage all participants, including the provider community, into the policy development process.

About Carle

Located in Urbana, Carle Foundation Hospital and Physician Group is an award-winning healthcare leader in East Central Illinois, comprised of a 325-bed regional care hospital, over 320 physician and specialists, and 130 Mid-level professionals, together with a top-ranked health insurer serving over 335,000 Midwestern members. Serving over 11 counties, Carle is a not-for-profit organization, and has received numerous accolades such as being named in the 100 Top Hospitals® by Thomson Reuters, achieving Magnet® designation for quality nursing, and earning recognition for clinical excellence from HealthGrades®. In addition to the Carle's high quality medical services, our affiliated health plan, Health Alliance, has received 4.5 out of 5 stars from the Centers for Medicare & Medicaid Services and in 2010 was the top-ranked health plan in Illinois for both HMO and PPO plans according to the NCQA. As you can see, the entire organization is dedicated to quality patient services based on a foundation of care coordination.

Big Picture

With recognition of the statutory requirement placed upon the Department through the Medicaid Reform bill (PA 96-1501), Carle encourages and is encouraged by the goal of 50% of the Medicaid population in coordinated care by 2015. Integrated delivery systems have been shown to facilitate the delivery of services, thereby creating efficiencies, improving quality, and demonstrating savings. For example, Medicaid and CHIP Payment and Access Commission (MACPAC), the Kaiser Commission on Medicaid and the Uninsured, the United States

Government Accountability Office (GAO), the American College of Physicians, the New England Journal of Medicine, and the Commonwealth Fund have all recently opined on care coordination efforts for the Medicaid population. These entities agree that there is no one-size-fits-all solution for care coordination of the Medicaid population. As such, we offer our insights and experiences of our services for our patients in our communities. We encourage the Department to similarly recognize uniqueness in the skills of various providers and needs of various Medicaid populations in the development of care coordination policies.

Our Thoughts

Carle suggests the following key elements to be factored into the development of care coordination efforts. In short, the care management should be comprehensive, including preventative and disease management services, offered in various geographic areas across the state, risk-adjusted, paid with adequate rates and managed in a timely fashion. A brief discussion of these essential components is expanded below.

- Comprehensive care: Carle believes that any efforts to provide care coordination will only be successful if all aspects of care are able to be managed. The current menu of benefits available to Medicaid recipients is quite generous, barring changes to these offerings, streamlining services and generating efficiencies will only be achieved through coordinated interactions with patients, providers, and contracted care coordination entities. Beyond the primary care medical home model, pharmaceutical, transportation, dental, substance abuse, and mental health Medicaid services should be synchronized with the program. Further, collaboration with local social service and nutrition-based programs, which are critical to better health outcomes, should be considered. Several of these areas of service are currently underfunded by a lack of state resources. This causes significant payment delays, leading to lower provider interest, thereby reducing patient access. If these costs are included in the rates, the care coordination entity could assure increased patient access through contracting, continuity, and predictability for providers.

- Prevention & Disease Management: Several programmatic elements to mitigate costs must be folded into any coordinated care policies. Preventative and disease management tactics such as prenatal/interconceptional/postpartum outreach and services, management of chronic diseases for congestive heart failure, diabetes, asthma, COPD, high cholesterol, and hypertension have shown better patient outcomes alongside cost savings. To prevent unnecessary utilization of the emergency room and preventable readmissions, intensive case management and hospital cooperation is necessary. Both efforts generate cost savings and improved patient outcomes and can be achieved by a physical presence or telephonic availability of empowered case managers.

- Various geographic areas: Carle encourages the Department to consider building a care coordination program which is applicable to all parts of Illinois. It is understandable to want to focus efforts in the highest density locations, but in reality each part of Illinois

has unique characteristics and challenges. It would be a disservice to spend the State's limited resources on a program which cannot be easily disseminated throughout the entire state, both rural and urban locations. In example, many organizations such as Carle are located in counties with larger comparative populations, but draw from rural areas. In demonstration of Carle's commitment to our entire service area, we have facilities in 9 surrounding communities, increasing accessibility for all patients.

- Rates and reliability: Carle recognizes the current precarious financial situation for Illinois state government. Inherently because of that situation, Carle encourages the Department to ensure the rates set for care coordination entities are adequate and payment timely. The belief of the legislators in creating the managed care mandate was to generate predictable and contained healthcare costs for the state. We argue that in order to incentivize providers to participate in a managed care program, parity of predictability for providers must be included in the framework. We believe there are care coordination entities and providers willing to demonstrate a commitment to the Medicaid population, but only under terms which are risk-adjusted for geographic, health, and demographic characteristics, and with the ability to receive real-time claims information. Care coordination entities and providers should possess appropriate health information technology. This is paramount to the ability of in-the-moment care management for beneficiaries whether within or outside of an established network.

- Regulatory creativity, flexibility & commitment: Carle encourages the Department to incorporate creative elements into the delivery of care under the new program. Specifically, we recommend elements which reward providers who use advanced practice providers for chronic disease and case management, address non-medical social needs, promote personal responsibility to encourage compliance with healthy lifestyles, and define affordable medically necessary services. The metrics for success should be based upon new federal value based purchasing measures and evolving NCQA standards, but with flexible allowances to tailor services to unique community needs. It is imperative to avoid setting up duplicative reporting structures. To manage overall cost, we recommend the benefit design also be flexible allowing adaptation to different provider capabilities. Finally, Carle strongly encourages the State and the Department to establish a long term commitment to the new program, avoiding regulatory uncertainty which may undermine the positive endeavor. This assurance will garner the trust of community health partners who must invest precious capital to build the infrastructure, hire staff, and outfit facilities in order to meet the needs of the Medicaid population.

On balance, Carle has a long history of successfully managing in a commercial and Medicare global payment environment. Carle has extensively reviewed a variety of care coordination possibilities for the Medicaid population. As a preferred service provider and medical home for many Medicaid beneficiaries, we are pleased the Department has taken the first steps in evaluating an appropriate care coordination framework for Illinois. We will continue to monitor

the open forum, stakeholder discussions, and any proposed regulation. If at any time during the policy planning efforts the Department would like additional insight, discussion, or modeling from Carle's unique perspective, we would be pleased to provide assistance.

For further comments, questions, or inquires related to the suggestions presented here, please feel free to contact me at 217-326-2097. Again, Carle thanks you for the opportunity to provide feedback and make suggestions regarding this important policy decision.

Respectfully,

Melissa Black
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Carle Foundation Hospital & Physician Group