



Medicaid: Current and Future Challenges

Chad Westover
Vice President, Business Development
WellPoint Medicaid
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How Do You Cover More Medicaid Lives?

- PPACA will create more than 16M Medicaid lives
- How do we create a more efficient system to make the Medicaid expansion affordable?
- Can it be done without jeopardizing quality of care?



An approach is to improve efficiency and effectiveness...

Levers for Improving Efficiency and Effectiveness

Provider

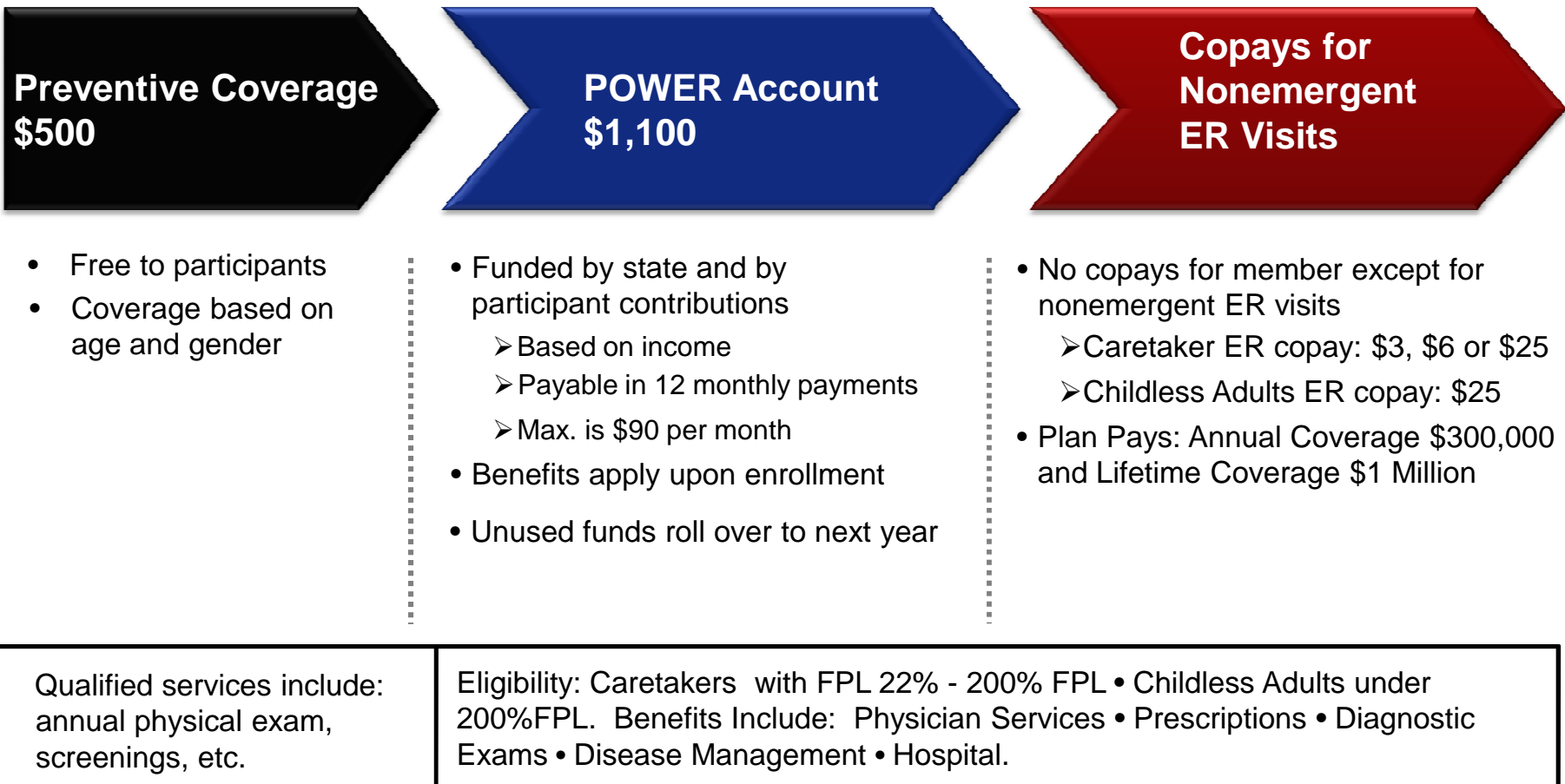
- Accountable Care Organizations (ACOs)
- Capitated Models
- Pay for Performance

Member

- Prevention
- Wellness
- Medicaid Consumerism

Healthy Indiana Plan Benefit Model: An Example of Medicaid Consumerism

Value-Based Benefit Design



Our Experience with HIP

- This population has different utilization and pent-up demand
- At least 2 times higher utilization compared to typical Medicaid members (all HIP members)
- Childless Adults costs are approximately 3.5 times more than typical Medicaid members
- Higher prevalence of co-morbidities and mental health conditions
- Requires unique program design, medical management, financial incentives and reimbursement



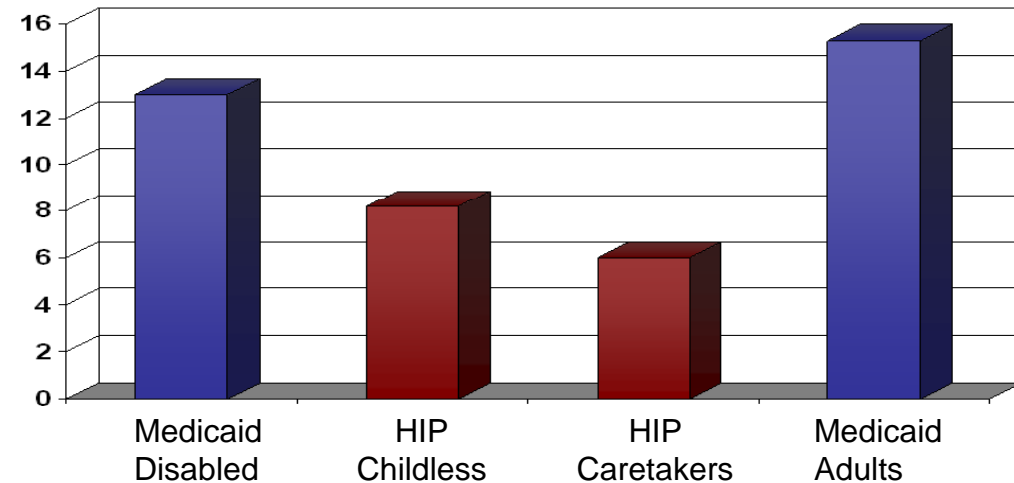
“Among people who were uninsured throughout the first year...used 29% more services during [the year they were insured] than people who were uninsured....”

Source: CBO, “Key Issues in Analyzing Major Health Insurance Proposals,” December 2008.

HIP ER Utilization

ER Visits per 1,000

- Childless Adult HIP members utilize the ER less frequently than ABD (52% less) and Medicaid adults (80% less)
- Copays (up to \$25) for non-emergency ER visits help deter unnecessary utilization



POWER Account and ER

- Individuals making POWER account contributions experienced a 27% reduction in ER usage over 12 months of enrollment
- Individuals who did not make POWER account contributions experienced no difference in ER usage over 12 months of enrollment



HIP has higher preventive scores than Medicaid

HEDIS 2010 Medicaid HMO Benchmark Results

Measure	Medicaid National Average	Healthy Indiana Plan
Breast Cancer Screening	52.39	63.04
Comprehensive Diabetes Care – HbA1c Testing	80.64	81.75
Persistence of Beta-Blocker Treatment after a Heart Attack	76.92	86.36

HIP Member Survey

Personal Responsibility and Continuity of Care

- **Over 98% pay** their POWER account contribution on time
- **90%** return their applications on time to continue their HIP eligibility
- **Three-fourths** said they are now more likely to seek preventive care
- **Two-thirds** said since enrolling in HIP they are more likely to seek treatment when needed; **76%** of all members received their required preventive services

Satisfaction

- **94%** surveyed said they are satisfied with the program
- **99%** indicated that they would re-enroll in the program

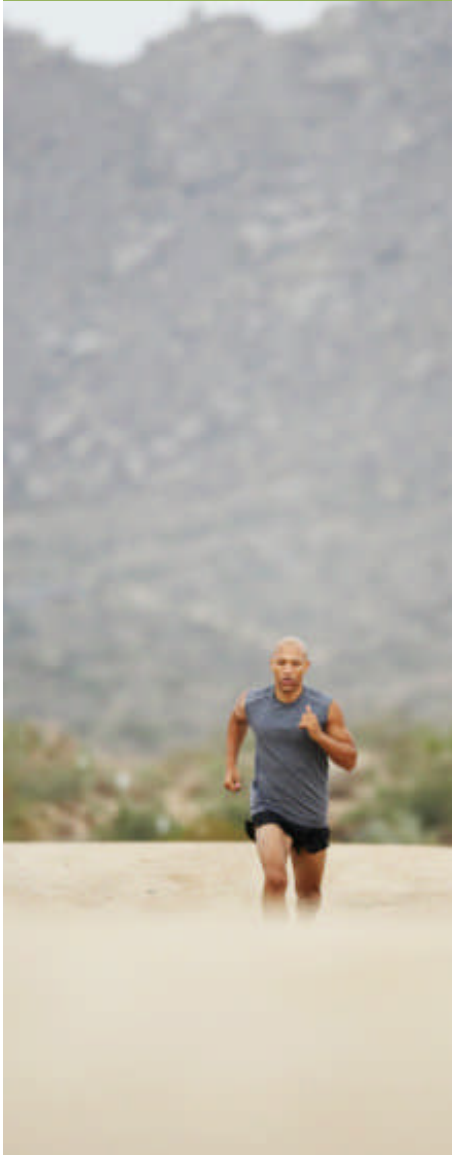
Opportunity for Consumer Engagement for Health Care Efficiently

HIP encourages members to appropriately utilize care primarily through:

- POWER Account, a health savings account style fund
- Copay for nonemergent ER visits
- Free preventive care

The results of these design elements are:

- Lower ER rates compared to other Medicaid adults
- Higher generic utilization compared to Medicaid and commercial members
- Higher preventive care visits compared to Medicaid adults and commercial members





Thank you!

Chad Westover

VP, Business Development

Medicaid Business Unit

Phone: 805-557-6037

Email: Chad.Westover@wellpoint.com