

## Medicaid Managed Care Response to COVID-19

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**The NORC MCO Learning Hub shares timely and authoritative resources to support MCOs in improving the health of their members and increasing advancements in health equity and health care transformation. We encourage you to share your experiences with us and welcome your feedback on future MCO Learning Hub work to better serve your needs. To start the conversation or join our distribution list, please email us at [MCOLearningHub@norc.org](mailto:MCOLearningHub@norc.org).**

This paper addresses how Medicaid Managed Care Organizations (MCOs) and states can individually and collectively play a role in responding to the COVID-19 pandemic. MCOs and states are working together with all available resources to meet the emerging needs of the communities they serve. Congress is rapidly enacting changes to Medicaid to ensure that services related to COVID-19 are available through the program, and the Centers for Medicare & Medicaid Services (CMS) is updating requirements and offering states, providers, and MCOs flexibilities.

The entire health care system is challenged during this global pandemic. While every stakeholder in the health care ecosystem – both public and private – has a critical role to play in meeting the needs of people in this country during this crisis, this paper focuses on the roles of MCOs and states during the COVID-19 response. Specifically, the focus is on examples of how MCOs and states can provide assistance through effective communications, improved access, data analysis and use of available financial levers. The range of options is vast and rapidly changing, and MCOs, like states, are of all different sizes and complexity-- with that lens the paper focuses on options that would be available to most.

### MCO Role

#### MEMBER AND PROVIDER COMMUNICATION

At a time when information can save lives, the effective dissemination of information is more critical than ever. MCOs play a crucial role in member and health care provider communications. MCOs maintain extensive contact lists for both their members and their network of providers, giving them the ability to provide critical and potentially lifesaving information throughout the COVID-19 pandemic. Consumers and providers need access to the most credible sources of information during these serious and challenging times.

Now and in the coming months, the American public needs credible information and education on protocols pertaining to COVID-19, available benefits, access to care including in-person and virtual options, the best settings for seeking care including testing and treatment, how to get their questions

answered, and much more. MCOs have the ability to reach members through multiple languages and multiple channels, including email, text, phone calls, and interactions with case management staff. In addition, they can work with the state to coordinate with community-based organizations to provide accurate information to the community. While knowledge about the pandemic continues to evolve, it is important for MCOs, government entities, and other private sector stakeholders to disseminate information about the best ways for people to prepare and protect themselves including the need for social distancing, stay-at-home orders, home health options, and remote services such as pharmacy delivery and telemedicine. MCOs can provide credible, timely, up-to-date information about how to safely access the necessary home-based services.

The COVID-19 pandemic is having a significant impact on our economy and our society. Currently, providers are the frontline for the COVID-19 response and they like all people are

experiencing unprecedented personal and professional challenges in keeping up with the latest rapidly evolving information. MCOs, through their regular provider communications and provider representation channels and their respective state associations, can provide the best available information on rapidly evolving science, protocols, and safety information.

Many providers, especially those in rural areas, may not have access to the resources found in urban academic medical centers. MCOs can serve as a bridge to disseminating important information to providers to make them aware of the latest knowledge on COVID-19. In addition, there are vehicles such as Project ECHO to connect rural providers with experts in academic medical centers to provide additional expertise. It is also important that these providers, whether working in office or in-home settings (e.g., home and community-based services (HCBS)), understand how to protect themselves and the patients they serve and have access to the personal protective equipment (PPE) they may need.

As the pandemic continues to unfold, providers must respond quickly and a range of provider needs will emerge. For example, providers, particularly small or rural practices, may need additional support such as financial or human capital support. MCO communication channels can be used to capture these needs and MCOs can work with providers and states to address them. We address some of these options in the “Financial Levers” section below.

## ACCESS

One of the most important factors in the COVID-19 response is ensuring access to care. CMS is working closely with states and MCOs to provide access to additional funds and to ease federal burdens so that individuals are able to access clinical and non-clinical services. It is difficult for stakeholders to keep up with the rapidly evolving environment and federal and state policy changes.

**“To address this MCOs will need to quickly adapt to meet the needs of the patients who most need care during this crisis and provide services in the most appropriate and safest setting.”**

As the health care delivery system is strained, MCOs play an important role to advocate for people with disabilities and all who need care, especially the most vulnerable populations. This may include foundation funding, increased government funding, and the use of reserves or charitable contributions from health insurance plans and others to provide care for

those impacted by COVID-19 who may not have health insurance.

## PROVIDER ACCESS

MCOs maintain provider networks to serve each of their product lines of business such as Medicaid, Medicare, Individual, Large and Small Group markets. Through these networks, MCOs have a view into provider shortages across hospitals, primary and specialty care, long-term services and supports (LTSS), and behavioral health. MCOs can assess on a regular basis where capacity and service constraints are occurring and work across their provider networks to identify additional capacity. Many MCOs are expanding capacity via telehealth to help people access care at home, reduce the burden on the health care system and protect health care workers and patients from unnecessary exposure, consistent with state requirements. Depending on individual state laws and recently-approved section 1135 waivers, MCOs may have the ability to expand their provider networks across state lines by adding retired physicians and by temporarily relaxing licensing and enrollment requirements. Options such as these for expanding networks will likely become increasingly critical as health care workforce capacity is stretched in the coming months. These and other approaches to ensure people have access to the care they need should be pursued by MCOs, including addressing the needs of caregivers, personal care aides, and other staff.

## MEMBER ACCESS

It is imperative that individuals have access to clinical and non-clinical services they need to maintain and improve their health. MCOs can help identify and safely link their high-risk members to needed clinical and non-clinical services. Many MCOs have been proactively rolling out initiatives to serve these high-risk members, resources of COVID-19 initiatives can be found on the websites of the America’s Health Insurance Plans (AHIP) and the Association of Community Affiliated Health Plans (ACAP)<sup>1</sup>. With primary and urgent care providers stretched and members needing to stay in home with limited outside contact, states and MCOs can develop clear access channels to reach people in need, increase access to in-home services, and use more innovative approaches. A key consideration is that PPE is in short supply and people may be fearful of in-home visits given the risk of exposure to COVID-19. These and other issues need to be addressed collectively by MCOs and states to ensure care for the elderly, disabled, and other at-risk populations safely.

HCBS will be critical for the elderly, disabled and other at-risk populations, and MCOs can provide members with information on how to safely access these services. MCOs can educate both consumers and in-home providers on the quickly changing COVID-19 safety protocols. HCBS can be a lifeline for many

beneficiaries, but it is critical to protect the health of the workforce and the at-risk members they serve. Further, through the provision of these services, MCOs may also be able to identify new COVID-19 cases and take the necessary measures to guide the member and their caregivers from testing to treatment.

MCOs can work with federal and state agencies to make funding options available to meet the holistic needs of an individual and connect them to necessary services. Members may now be faced with critical challenges to access necessities, such as food and safe transportation. MCOs are in a unique position to be able to quickly assess these needs and respond. With greater benefit flexibility and funding available, MCOs can connect their members with Area Agencies on Aging and ride-share and transportation providers to ensure those in need have access to these services. In the coming months these agencies and services may become hindered and MCOs may be able to use regulatory flexibilities to tap into their broader national networks to identify resources from less strained areas to meet local needs.

CMS recently announced updated rules to allow for greater flexibility for the use of and reimbursement for telehealth as part of the COVID-19 response. This was done to improve access to care for people in their homes, reduce the burden on the health care system and better protect health care providers. States and MCOs can take advantage of these flexibilities to the greatest extent possible as telehealth can now be used for patient education, routine care and maintenance visits, and COVID-19 care and monitoring. Historically, due to a range of payment and adoption challenges, telehealth had been slow to grow, now providers must quickly leverage various technologies to support virtual care. To enable this, MCOs must start by educating providers from across their networks on virtual technology options to care for the range of patient needs. MCOs also play a key role to educate members and the non-physician health care workforce on the availability and use of these tools.

**“The ability of states and MCOs to quickly put in place the necessary payment infrastructure will be critical to the successful adoption of telehealth.”**

States will need to develop telehealth payment codes, establish rules for cross-state licensure, encourage consumers and providers to use telehealth, and develop and implement telehealth provider payment rates and policies. Similarly, MCOs can develop and revise payment policies for providers to take advantage of this flexibility for new provider groups and services.

## DATA COLLECTION AND ANALYSIS

MCOs, both individually and in coordination with state agencies, providers, not-for-profits, and academia, are well positioned to collect and analyze data to provide real-time, meaningful feedback on how to respond to the coronavirus crisis including providing information to the state, providers and members. By collecting and analyzing multiple types of data, from diagnostic data to resource availability, the MCO can identify issues or gaps and make program adjustments or elevate to the state where state action is necessary to resolve.

MCOs may be able to track Medicaid members who are being tested, and possibly the test results, as well as illness progression for those who test positive on a timely basis. Making this information available to the state Medicaid agency and other state agencies like the Departments of Aging and Developmental Disabilities and local health agencies will be helpful to inform the need for services in various communities.

Another area where data will be critical is for HCBS. MCOs can survey providers to see which are still in business, their current staffing levels (e.g., staff drop off), and if and what types of services members are requesting, as well as their needs for PPE and key supplies. Further, they may be able to understand whether members are comfortable or fearful about allowing providers and plan staff into their homes, as well as the level of family or other community support services accessible to serve their needs. With this information, MCOs can work with providers and states to fill the identified service gaps.

## FINANCIAL LEVERS

MCOs can examine and potentially utilize a range of financial levers to enable seamless access to care and keep providers financially viable. Levers available to MCOs include the creation of new payment policies to expand coverage and increase access to members (e.g., virus testing, telehealth, etc.) and to provide financial incentives for physicians such as bonus payments for keeping those that are not in critical condition out of the hospital and emergency room. MCOs may want to look for flexibility in existing billing codes to fully expand the scope to meet the current need. As an example, day treatment codes can be used for in-home service. MCOs can also expand the benefit packages to cover any COVID-19 related treatments so that coverage denials do not prevent access. MCOs may provide advances or rate increases to critical access providers that have low profit margins and/or those experiencing cash flow issues due to the operational or business demand impacts of COVID-19. Some providers may see a significant decrease in utilization as members stay away from care that may be more routine and not related to COVID-19. While some services may be delivered through telemedicine, others may not. It is essential that MCOs and other stakeholders keep in mind the importance of ensuring the

long-term viability of the health care system so that physicians, other medical and social services providers, and facilities stay viable and available to serve the Medicaid population.

## State Role

Medicaid agencies should move quickly to identify and implement all available policy and operational flexibilities to best serve their beneficiaries. Congress has provided flexibility and federal matching funds to address the challenges these programs now face, and CMS has provided flexibility as allowable under federal law. Many states have already applied to temporarily waive or modify certain Medicare, Medicaid, and CHIP requirements to meet the needs of those enrolled in Social Service Administration programs and are actively pursuing section 1135 waivers, section 1115 waivers, and/or emergency state plan amendments to achieve the changing program needs. One flexibility that states may consider is to expand services to the state's non-Medicaid eligible uninsured who need access to COVID-19 related services.

States have the flexibility to make policy changes that will streamline program requirements. They can also establish more lenient eligibility policies for initial applications and renewals, and establish more lenient provider enrollment policies. For example, as part of H.R. 6201, Congress required all states receiving the 6.2 percent Federal Medical Assistance Percentage increase to provide continuous Medicaid coverage until the end of the pandemic. The bill did not require this for children enrolled in separate CHIP programs, but states can voluntarily implement this policy. States can also relax provider requirements to enable MCOs to expand networks to address the anticipated provider shortages.

Throughout the COVID-19 response, states like all other stakeholders will face operational and budgetary challenges during the coming months. States can work with MCOs to identify and adjust operational challenges to facilitate MCO program operations. They should work together to figure out the best solutions to meet the needs of their Medicaid beneficiaries. Front-end changes could include:

- **Ensuring capitation payments are adequate** to cover any increased cost related to COVID-19, including add-on payments to providers experiencing revenue shortfalls during this crisis.
- **Ensuring all encounters can be accepted** by the state by turning off some of the typical fee-for-service edits that are applied.
- **Providing reasonable relief** from reserve requirements, as appropriate or as needed.

## Path Forward

In this unprecedented time in our nation, with our states and our health care system challenged in ways that only weeks ago were unimaginable, the infrastructure that services our most vulnerable population is more important than ever. States and MCOs can rapidly drive policy and operational changes to meet the changing needs of the members they serve and frontline providers.

## References

1. AHIP. Health Insurance Providers Respond to Coronavirus (COVID-19). 2020. <https://www.ahip.org/health-insurance-providers-respond-to-coronavirus-covid-19>
- ACAP. Resources on COVID-19 (Coronavirus). 2020. <https://www.communityplans.net/research/resources-on-covid-19-coronavirus>

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### ABOUT NORC MCO LEARNING HUB

The key goal of the NORC MCO Learning Hub is to serve as a source of information, expertise, and best practices to support managed care organizations in moving forward with system reform. NORC and its partner organizations identify, develop, and disseminate promising approaches and emerging opportunities for MCOs to improve the physical health, behavioral health, and social needs of their members.

Your ideas and opinions are important to us. We welcome your feedback on future MCO Learning Hub work or programs you are working on to better serve your needs.

We want to hear from you. Please contact us at [MCOLearningHub@norc.org](mailto:MCOLearningHub@norc.org) to start the conversation or join our distribution list.

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