

Approaches and Strategies for Community-Based Organizations to Engage with Managed Care Organizations: Building Strategic Partnerships

The NORC Medicaid Managed Care Organization (MCO) Learning Hub shares timely and relevant resources to support Medicaid MCOs and other stakeholders in improving the health of their members and increasing advancements in health equity and health care transformation. We encourage you to share your experiences and feedback on future Medicaid MCO Learning Hub work so we can better serve your needs. To start the conversation or join our distribution list, please email us at MCOLearningHub@norc.org.

On December 3, 2020, the Medicaid MCO Learning Hub held the fourth segment of the four-part Medicaid Managed Care 101 Series ([slides](#), [recording](#) and [Q&A](#)). The Medicaid Managed Care 101 Series was widely attended by community-based organizations (CBOs), health plans, and other stakeholders from across the country. The 101 Series was developed from discussions that occurred through industry convenings held throughout 2020; the segment on MCO engagement provided information on the importance of alignment and engagement between MCOs, states and CBOs, and strategies and useful tips for CBOs to effectively engage MCOs. The webinar was well received and this paper provides the highlights of the webinar and outlines suggested next steps.

The Importance of Engagement at the Community Level

State Medicaid agencies and Medicaid MCOs have shared goals and missions that focus on meeting the complex needs of Medicaid beneficiaries; often times, CBOs that deliver services to populations with low incomes serve Medicaid beneficiaries due to Medicaid income eligibility requirements. The shared focus on Medicaid beneficiaries across these three types of entities can be more effective when goals, services, and strategies are aligned and coordinated. Efforts to identify and develop a partnership can and should be driven by any of the three groups.

However, since CBOs are under-resourced and often experience challenges moving themselves into the conversation, **the strategies outlined in this brief focus on the CBO as the driving entity.**

CBOs, which are non-profit entities oftentimes working at the local level, serve the populations with the most complex needs. CBOs often include social service organizations providing food, housing, and services that address the spectrum of social determinants of health (SDOH). Addressing SDOH needs among people who rely on Medicaid for their health is becoming a greater priority in many states. Importantly, SDOH can drive as much as 80 percent of health outcomes and people who rely on Medicaid also tend to experience inequities within SDOH. This evolution towards addressing SDOH is a result of multiple factors include program growth; Medicaid expansion; complex beneficiary needs; rising program costs; the need to improve health outcomes; and the

growth of MCOs used to serve populations, such as the older adults and individuals with physical, developmental or intellectual disabilities. When CBOs, states, and MCOs can align and focus their efforts, the result is often improved outcomes. Alignment through partnerships can take many forms, including educational efforts, referrals – connecting populations to services – and contractual arrangements with resource contributions. Early successful partnerships that emerged around the country were often focused on specific needs; examples include housing and food insecurity.

Partnerships to Serve Communities

It takes the aligned focus of CBOs, Medicaid agencies, and MCOs to serve all of the Medicaid beneficiaries' needs more effectively. One of the main goals of these partnerships is to work together to break down silos that beneficiaries often experience. By working together in a more coordinated approach, CBOs, Medicaid agencies, and MCOs can identify priority needs and determine the direct value to the beneficiary that can be derived from a targeted partnership strategy. When alignment occurs and a partnership emerges, they can co-develop desired outcomes (e.g., greater capacity, improved access, broader services) for each targeted engagement strategy. The creation of the partnership enables the use of available state policy or other levers and identification of all possible public and private funding stream options to support the activities.

Successful Partnerships Drive Outcomes

Circle the City is an Arizona-based CBO that provides

integrated services to those experiencing homelessness across Maricopa County. Circle the City is a nationally recognized health care organization that evolved from a partnership with MCOs and the state. To achieve success, they identify a value proposition, improve outcomes, and effectively utilize levers in Medicaid managed care to achieve shared goals.

The Medicaid MCO Learning Hub had the opportunity to speak with Circle the City to discuss their work and partnership with MCOs. For more information see [Circle the City's Spotlight Brief on our website.](#)



CBOs can be the cornerstone in engagement strategies as they bring a local perspective and informed, hands-on experience that can add tremendous value to the state and

MCOs. From direct engagement with the beneficiary that comes from being embedded in the community, CBOs can identify areas of opportunity, shape services, and support state priorities and MCO contractual requirements related to meeting the SDOH needs of Medicaid members. In many states, MCOs grapple with meeting the wide range of beneficiary needs in cost effective ways, whereas many CBOs are equipped to assist with meeting the complex needs of the high-risk populations they serve. That intersection, where the state priority, the MCO requirement and the CBO service meet, is where the greatest value can be delivered to the beneficiary. Despite this, it is often difficult for CBOs to engage and become part of the conversation and ultimately create effective partnership opportunities. Both Medicaid and MCO leaders are managing multiple priorities and initiatives and fielding outreach requests from a wide range of interest groups. In addition, small CBOs, often with limited staff resources, may not have the depth of knowledge of relationships within the state or the MCO to effectively engage.

Developing an Effective Engagement Strategy

To better equip CBOs to engage across Medicaid agencies and MCOs, the MCO Learning Hub outlined key components of an engagement strategy. These strategies provide CBOs with a better understanding of the pathway to partnerships and help CBOs find the value proposition that provides the most compelling case for engaging with both Medicaid agencies and MCOs.

UNDERSTANDING THE MEDICAID PROGRAM

To move Medicaid MCO partnerships forward, CBOs would benefit from understanding their state's Medicaid landscape as each state has unique program priorities and regulatory environments, different budgetary constraints, and diverse Medicaid populations. Further, Medicaid agencies employ a wide range of managed care strategies across varying populations.

Firstly, CBOs can gain a solid working knowledge of their state Medicaid agency's programs and priorities through a variety of sources. Oftentimes, CBOs can look to publicly available data to better understand their state Medicaid agency's priority areas and key data points about the Medicaid population and MCO requirements. These sources include, but are not limited to:

- The Medicaid agency's strategic plans, usually available on the agency website.

- The Medicaid agency's MCO contract, which sets forth expectations of the MCOs. While helpful, these contracts can often be long and difficult to navigate as they are often densely written with long sets of requirements.
- Current and recent request for proposals (RFPs) that detail the expectations the Medicaid agency has for the MCOs, including specific services and priorities. An agency will also use RFPs to ask MCOs to propose programs or initiatives to help meet state priority areas.
- Some Medicaid agencies provide helpful information in public meetings such as state Medicaid Advisory Committee meetings.
- Medicaid Director presentations are often saved on the state Medicaid website and contain information about the Director's plans or vision for meeting Medicaid member needs.

MCO initiatives often align with state priorities and Medicaid MCO contracts, making understanding these elements critical to developing a value proposition for a partnership. Medicaid managed care programs are not homogeneous across states, meaning that learning the local landscape is critical for effective engagement.


Secondly, it may also be helpful for CBOs to better understand the MCOs' makeup and population, including:

- The number of Medicaid members the MCO serves.
- Where the MCO's member base is located.
- Any information available about the type of SDOH-related services, and CBOs potentially already providing these services, to the MCO's members.

This type of information may be available on the MCO's website or through briefs or presentations the MCO has delivered at conferences or national associations, like America's Health Insurance Plans (AHIP) or Association for Community Affiliated Plans (ACAP).

Once a CBO has a working understanding of their state's Medicaid program, priorities, and MCO initiatives, understanding the nuances of the program as they pertain to the CBO's services is the next step to developing a partnership strategy. Understanding which services are included in or carved out of the MCO contract (meaning which services are the MCOs providing or excluded from

providing to Medicaid beneficiaries) can shape how to design the strategy.¹⁻² For example, mental health services, substance use disorder (SUD) services, or long-term services and supports (LTSS) may or may not be included in managed care. Gaining this nuanced knowledge and staying up-to-date on program changes will drive the success of the engagement strategy. This can be



Understand Program Nuances

Understand what is carved in and out and stay up-to-date on program changes. For example, Ohio carves out mental health and substance use disorder (SUD) services; thus, MCOs are not paid for these services. Whereas care for foster children is carved in, but is now being carved out, transitioning into a new managed care contract with a different entity. Stay aware of latest changes.

accomplished through the sources above, reviewing your state's managed care reports, and regular monitoring.

CAPACITY AND ABILITY TO SCALE

At this point, your CBO will hopefully have a better understanding of the Medicaid managed care landscape in your state, the state's strategic priorities, MCO initiatives, and the gap or need your CBO can fill. Another consideration before approaching MCOs is anticipating questions about how many of the MCO's members your organization may be able to serve. Consider the number of individuals or services that your CBO may be able to add to the existing participant/client base (a 5-10% increase from current levels, for example), at least during an initial stage. MCOs will very likely be interested in better understanding your CBO's capacity and ability to scale up services; sketching out responses to these potential questions in advance may be helpful for meetings with MCOs.

BUILDING RELATIONSHIPS

Building relationships with Medicaid agencies and MCOs is the basis for developing sustainable partnerships. While CBOs may not know who to contact or how to engage with both Medicaid agencies and MCOs, these meetings are of critical importance. State Medicaid Directors and their executive team members engage regularly with a wide range of key interest groups. CBOs can reach out to the

¹ Medicaid and CHIP Payment and Access Commission. Types of Managed Care Arrangements. (2018).

<https://www.macpac.gov/subtopic/types-of-managed-care-arrangements/>

² Gifford, K., et. al. A View from the States: Key Medicaid Policy Changes: Results from a 50-State Medicaid Budget Survey for State Fiscal Years 2019 and 2020. (2019). Kaiser Family Foundation. <https://www.kff.org/report-section/a-view-from-the-states-key-medicaid-policy-changes-delivery-systems/>

Medicaid agency in their state to request a meeting to discuss the Medicaid agency's priorities that directly tie to the CBO's mission and services. Medicaid Directors have both local and national commitments and meetings may be scheduled four or more weeks out, but that should not be a deterrent or seen as a signal of a lack of interest in meeting. The meeting with the Medicaid Director or their executive team members can be a great place to put ideas in front of Medicaid leadership, suggest services for RFPs, and request that Medicaid leadership broker an introduction to key leadership at the MCOs.

As previously discussed, understanding a Medicaid agency's priorities, direction, and MCO initiatives is instrumental for these meetings. Additionally, CBOs can focus on how their services help address a Medicaid agency priority or need; preparation also helps a CBO avoid bringing up a solution to a problem that does not exist in their state and stay focused on how a partnership is fruitful for all organizations. Lastly, instead of asking the Medicaid agency to require the MCOs to contract with their organization, which puts a Medicaid agency in a difficult position because there could be other CBOs that offer similar services, a better approach is to request that a service or idea become a requirement of the plans in their contracts or in the next RFP. Once MCOs are required to provide certain Medicaid beneficiary services that the CBO may offer, the CBO can then compete for providing this service to Medicaid members via a partnership with the MCO.

MEETING WITH MCOS

Once the CBOs have found alignment with a state priority, the next step is meeting with MCOs. These meetings should be with decision-makers that drive initiatives. These meetings can stem from state relationships, other provider relationships such as area hospitals that contract with MCOs, or other community connections. MCOs are often open to meetings where there is a value proposition that connects to priorities; this should be about more than just saving money.

For MCO meetings, CBOs should come prepared with supporting data from their program, if possible, showing the number of individuals/Medicaid members who receive their services during the course of a year, the services delivered (e.g. number of food boxes or meals delivered), and any outcome data (e.g. showing the number of individuals who report eating three healthy meals a day before and after participating in the program or the number of individuals who report lower rates of stress/social isolation from participating in the program). These data should be from the MCO's market first, but data from other

markets can also be helpful. Further, it is important to utilize the largest possible data set (e.g., number of individuals utilizing the CBO's services); showing program or outcome data for 12 individuals is not as convincing as data from 120 people or, better, 1,200 people. When preparing meeting materials, when possible cite objective analyses; the gold standard is an analysis, especially a return on investment (ROI) analysis, from an independent third party that was not compensated for the data. In the case that a CBO does not have data on their own experience, they could look to other existing studies that have looked at the value of the particular SDOH intervention.

The goal of these meetings is to provide a clear picture of what a partnership would look like and why it will add value and drive positive outcomes in the market.

FINDING THE RIGHT FUNDING SOURCE

Once the partnership can be defined and the three parties are aligned, the next step is to determine how the partnership and services will be financed. The goal is to find the funding source that best fits the initiative and move into a contractual partnership as it will increase the likelihood of success and long-term community impact.

Funding opportunities will vary by state and there are several different funding streams that CBOs may want to explore:

- *Community reinvestment* – Several states require that MCOs reinvest a portion of profits into the community either through law or within in their MCO contracts (e.g. Arizona). Where this requirement exists, it can provide flexible funding to serve Medicaid members through approaches that generate ROI. Community reinvestment funds can often be focused on SDOH rather than straight clinical services.
- *Administration dollars* – Some MCOs may be willing to invest limited administrative dollars if they are confident that there is an opportunity to generate an ROI in the near term. In more economically challenging times, MCOs may be willing to invest in pilots or limited high impact investments in non-traditional medical services.
- *Addressing SDOH* – A growing number of states are paying MCOs or Medicaid accountable care organizations (ACOs) to be responsible for SDOH, and requiring them to develop relationships with CBOs (e.g. Pennsylvania's managed care program).
- *MCO Foundations* – Some MCOs operate foundations that contribute resources and invest in community partnerships, including in partnerships with CBOs.

MCO foundations often operate at the national level, which may pose more challenging partnership opportunities to CBOs, although the previously mentioned Circle the City is an example where MCO foundation funding was effectively used by the CBO.

- *Service dollars* – In some instances, a CBO may be able to receive funding through traditional Medicaid funding streams, depending on the state and if the CBO can be deemed a “Medicaid provider”. While there are many challenges to becoming a Medicaid provider, areas like LTSS and behavioral health have broader definitions of services than traditional acute care, and may allow for non-traditional service providers. For example, some states can cover services such as housing and employment supports.
- *Reserve Funds* – MCOs have required reserves. While this is a challenging funding stream to leverage, there are examples where reserve dollars have been used in partnership with CBOs to address SDOH. Reserved funds were further covered in the Medicaid [Financing 101 segment](#) (recording [here](#)), which explained their use. Reserve fund requirements are state-specific, and some Medicaid agencies allow for flexibility in how MCOs assess and count reserve dollars.
- *Value-Based Payment (VBP) Arrangements* – States are increasingly looking for MCOs to move from using fee-for-service contracts to VBP arrangements. Under the VBP continuum, there is often flexibility for providers to address broader SDOH issues and, depending on the direction of the state and its priorities, CBOs may be able to leverage these arrangements to partner with MCOs and providers and bring value by addressing VBP needs.³ It is worth noting that MCOs are often looking for VBP models that can be implemented at scale.

Additional opportunities may emerge as states continue to explore delivery system reforms to address high cost and complex challenges such as the delivery and financing of care for the growing dual-eligible population (i.e., individuals eligible for both Medicare and Medicaid). States are also developing delivery system models that try to address the fragmentation of service delivery that dual-eligible members face. CBOs may be able to partner as part with MCOs to help meet the needs of this population. Many states have started requiring Medicaid MCOs to offer Medicare Dual Special Needs Plans (D-SNPs), bringing new opportunities as part of Medicare advantage plans (e.g., In Arizona almost 50% of the dual-eligible population are in the same Medicaid and Medicare plan). By aligning

these populations, supplemental dollars can go toward more flexible benefits, such as food for 14 days post inpatient hospital stay. Partnering to deliver services can be a significant opportunity for CBOs to access more Medicare funding, which allows for greater flexibility in how it can be used to address SDOH.

The Path Forward

It is clear that CBOs are the cornerstone to addressing SDOH for the Medicaid population. However, oftentimes CBOs are under-resourced and challenged to effectively move themselves into the conversation, develop partnerships, access funds, and ultimately become part of the integrated solution with Medicaid agencies and MCOs. Through Medicaid MCO Learning Hub discussion group meetings with MCOs and CBOs and the MCO 101 webinar series, it has become clear that CBOs often face Medicaid or MCO knowledge gaps and partnerships strategies that need to be addressed to meet the long-term success of SDOH programs.

To equip CBOs and advance initiatives that meet the SDOH needs of Medicaid members, the Medicaid MCO Learning Hub can continue to convene interest groups and develop a more structured curriculum for CBOs delivered through a CBO/MCO Partnership Academy. The Academy would provide three levels of assistance: 1) general knowledge and the basics of Medicaid, MCOs and partnerships; 2) strategic assistance to guide a targeted engagement strategy and value proposition; and 3) regular convening of CBOs and MCOs to help facilitate discussions. The goal of the CBO/MCO Partnership Academy is to provide CBOs with the tools to partner with MCOs to address the growing SDOH needs in communities across the country.

³ For additional information, see: https://www.milbank.org/wp-content/uploads/2021/02/Duke-SDOH-and-VBP-Issue-Brief_v3.pdf

ABOUT NORC MEDICAID MCO LEARNING HUB

The key goal of the NORC Medicaid 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 Medicaid 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 to start the conversation or join our distribution list.

www.norc.org/Research/Projects/Pages/medicaid-managed-care-organization-learning-hub.aspx

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