



MLTC Risk Corridor Proposal



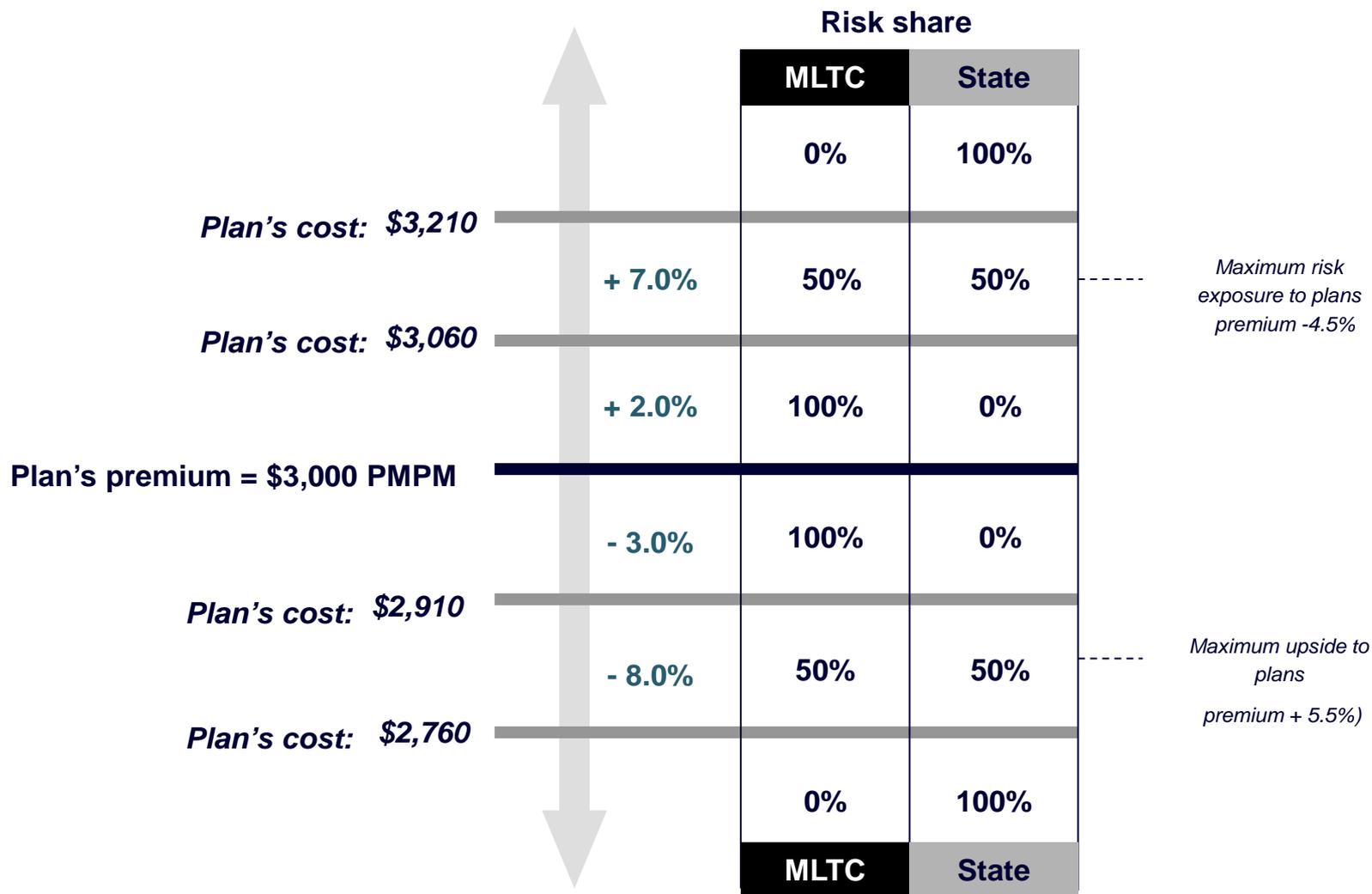
Division of Finance and Medicaid Rate Setting
February 2, 2012

Goals and Guiding Principles

- **MAIN GOAL:** Creating opportunities/mitigating risk to allow plans to Care Coordination Models to advance voluntary enrollment prior to mandatory enrollment, and continue to mitigate plan risk afterward.
- Goal to be reached by temporarily establishing risk-sharing corridors that limit Plans' losses, thereby incentivizing voluntary enrollment and mitigating plan risk.
- **Guiding principles for the proposed risk-sharing corridor:**
 - Risk sharing will apply only to NEW enrollments effective January 1, 2012 for the calendar year. The program could be extended for a second year if there is mutual interest.
 - Risk sharing will be a temporary program for this cohort, until their associated costs are reflected in the premium base rates.
 - All Plans will be afforded the opportunity to participate (MLTC partial cap and PACE; MAP; Care Coordination Models).
 - Initially, the program will be for NYC Plans. Intent is to expand this to outside NYC.
 - Risk sharing mechanism will be designed so that both the Plans and the State will have a "skin in the game." Administration costs will not be included in the risk sharing.
 - The risk sharing mechanism model will be subject to all necessary Federal requirements, and may change from what is being proposed to achieve these requirements.

Risk Corridor Illustration

The Plan and the State will share gains/losses as follows:



Plan Enrollment Practices

- All Plans must comply with current enrollment requirements.
- Specifically, a Plan is prohibited from engaging in the following practices:
 - Making unsolicited calls in person or by telephone or “cold calling” inquiries at the homes of eligible persons. 98-1.19(e)(1).
 - Deceiving, misleading or threatening an eligible person to influence or induce selection of a particular plan. 98-1.19(e)(4)(ii). Specifically, a Plan is prohibited from engaging in the following practices:
 - Plan also may not require providers to distribute plan-specific marketing, promotional or informational materials of any kind to eligible enrollees. 98-1.19(e)(3).



Key Decisions/Next Steps

- ❑ Protocols for data exchange between State and Plans.
- ❑ Will there be separate premiums for existing MLTC enrollees, new enrollees?
- ❑ Plan model contract would need to be amended to include the risk corridor provisions; and CMS approval of the model contract.
- ❑ MMCOR's would need to be modified to reflect the two enrollee populations – existing and new.
- ❑ MMCOR's to be modified to include the risk share calculation.

Questions

- Questions regarding the risk corridor methodology can be submitted via e-mail to:
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