



October 12, 2017

**Medicaid Managed Care Update**

With the close of the RFP protest period, the Department of Healthcare and Family Services (HFS) is moving forward with plans to implement a redesigned Illinois Medicaid managed care program in 2018. This memorandum provides an update on the final Managed Care Organization (MCO) awards and the closeout of the current MCO contracts, including the transition of certain Family Health Network (FHN)/Community Care Alliance of Illinois (CCAI) members to CountyCare.

In light of these changes, IHA will be holding a series of critical training programs designed to educate member hospitals and health systems on the operational policies and procedures of the MCOs. The first set of programs will be held from 8:00 a.m. to 4:00 p.m. on November 1 (Springfield), November 13 (Naperville), and November 15 (East Peoria). Please see below for additional information on these sessions.

**Final MCO Awards**

With the recent addition of NextLevel Health, HFS has selected seven MCOs to provide covered services to the Integrated Care Program (ICP), Family Health Plan (FHP)/Affordable Care Act (ACA) Adult, and Managed Long Term Services and Supports (MLTSS) populations, as well as certain special needs children. The new MCO contracts, once executed, will be effective January 1, 2018 for an initial four-year term, with the option to renew for up to an additional four years. The Medicare-Medicaid Alignment Initiative (MMAI) was not within the scope of this contracting process, and the current MMAI plans will continue to serve dual-eligible members in certain geographic regions across the state.

The selected MCOs will offer coverage either in all 102 Illinois counties or in Cook County only. One statewide plan (IlliniCare Health Plan) will also serve Department of Children and Family Services (DCFS) youth.

MCO	Statewide	Cook County
Blue Cross Blue Shield of Illinois	X	X
CountyCare Health Plan		X
Harmony Health Plan	X	X
IlliniCare Health Plan	X	X
Meridian Health	X	X
Molina Healthcare of Illinois	X	X
NextLevel Health		X

The initial rollout will focus on clients residing in the five regions where managed care is already mandatory (Rockford, Greater Chicago, Central Illinois, Quad Cities, and Metro East), followed by clients residing in the 72 non-mandatory counties. HFS is finalizing the client transition letters and mailing schedule, and we will share details on the enrollment process in a forthcoming communication.

**IHA MCO Education Series – Save-the-Dates**

IHA has developed a series of full-day programs designed to educate member hospitals and health systems on the operational policies and procedures of the newly selected MCOs. Each of the selected MCOs have been invited to share information on their billing and claims processing guidelines, provider portal functionality, discharge planning procedures, and utilization review processes, among other topics. These sessions are intended for revenue cycle, managed care, patient financial services,

access/registration, utilization review/case management, and denials and appeals management staff at IHA member hospitals and health systems.

Given the state's current implementation timeline, the first set of full-day programs will be held from 8:00 a.m. to 4:00 p.m. on:

- Wednesday, November 1 – Springfield
- Monday, November 13 – Naperville
- Wednesday, November 15 – East Peoria

A second set of programs will be held in March 2018 for member hospitals located in the 72 counties where managed care is not currently mandatory. The dates for and locations of these programs will be shared with members in the coming weeks.

#### Closeout of Current MCO Contracts

Aetna Better Health was not awarded a contract for the new program, while Cigna- HealthSpring, FHN/ CCAI, and Humana did not submit bids. Those plans exiting the Illinois Medicaid managed care market as of December 31, 2017 are required to resolve any outstanding claim disputes and meet all financial obligations to providers, in accordance with the terms of their contracts with HFS.

To assist in this effort, HFS has awarded a one-year, \$4.7 million contract for auditing and consulting services to Meyers and Stauffer, LC, effective November 1, 2017, with a one-year renewal option. Meyers and Stauffer will be tasked with auditing the current MCOs, as well as a random sample of each provider type contracted with the MCOs, to estimate liabilities by provider type for dates of service from July 1, 2014 to December 31, 2017. An interim report outlining findings and recommendations for each MCO by provider type must be submitted within 180 days of the contract effective date, followed by a final report within 270 days.

IHA continues to work closely with HFS to ensure that sufficient opportunity exists for members to be involved in the audit process and to be informed of the firm's proposed recommendations for closing out hospital accounts receivable (AR).

#### Transition of FHN/CCAI Members

On September 20, 2017, Cook County Health and Hospitals System (CCHHS) announced the transition of FHN and CCAI's approximately 160,000 Medicaid members residing in Cook County to CountyCare, effective November 1, 2017. CountyCare will accept existing FHN/CCAI contracts while it works to contract with FHN/CCAI providers. As with other Medicaid MCO transitions, FHN/CCAI members will be afforded 90 days to switch from CountyCare to a different MCO. Sample transition letters are available on HFS' [care coordination webpage](#).

#### Additional Information

We will continue to keep you informed of developments as the state prepares to award new MCO contracts that will facilitate a statewide expansion of Medicaid managed care, including HFS' plans to revise the provider credentialing process.

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