

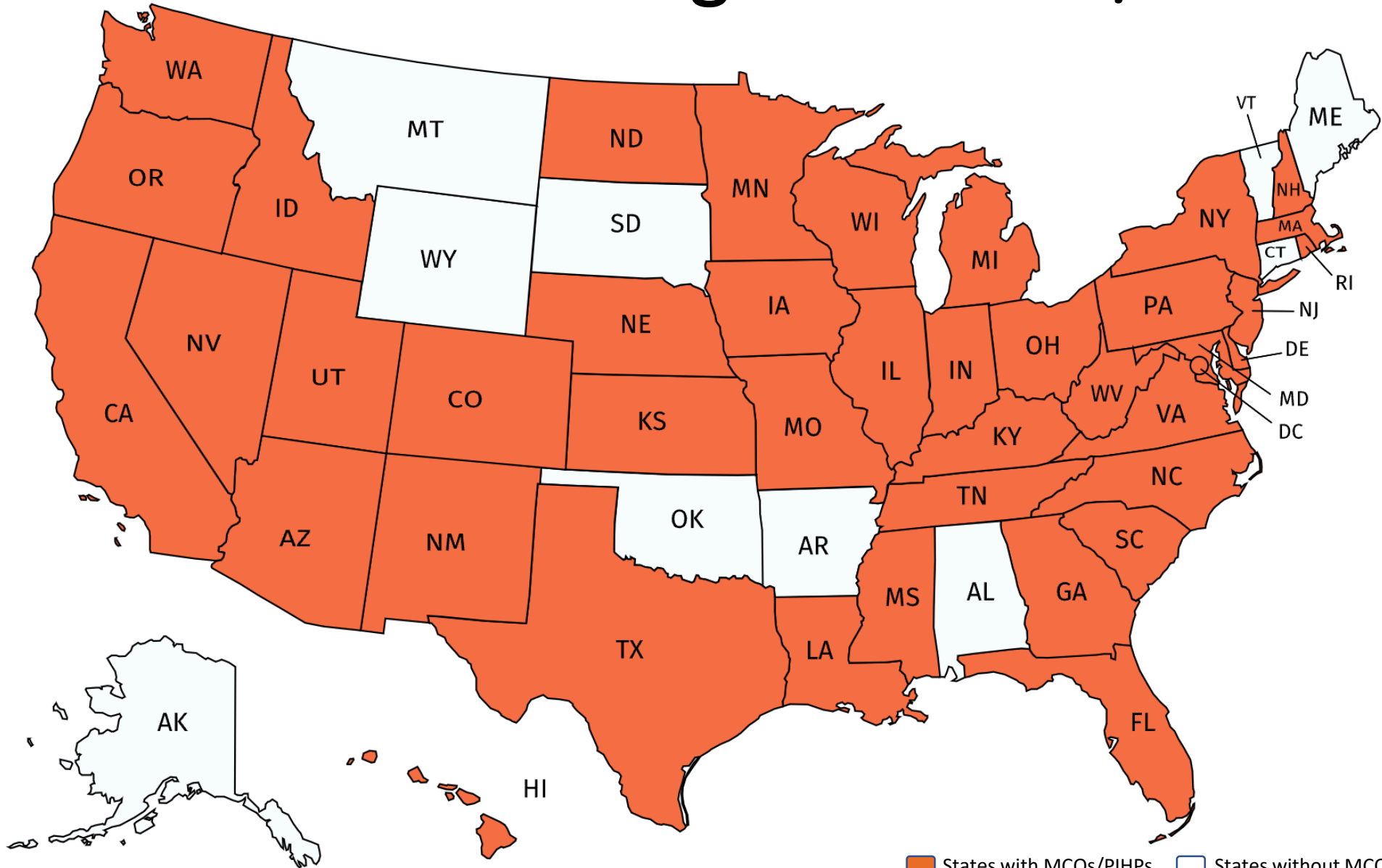
The Kentucky Association of Health Plans Legislative Update

**Presented to the
Kentucky General Assembly
Joint Committee on Health and Welfare**

Wednesday, January 23, 2019

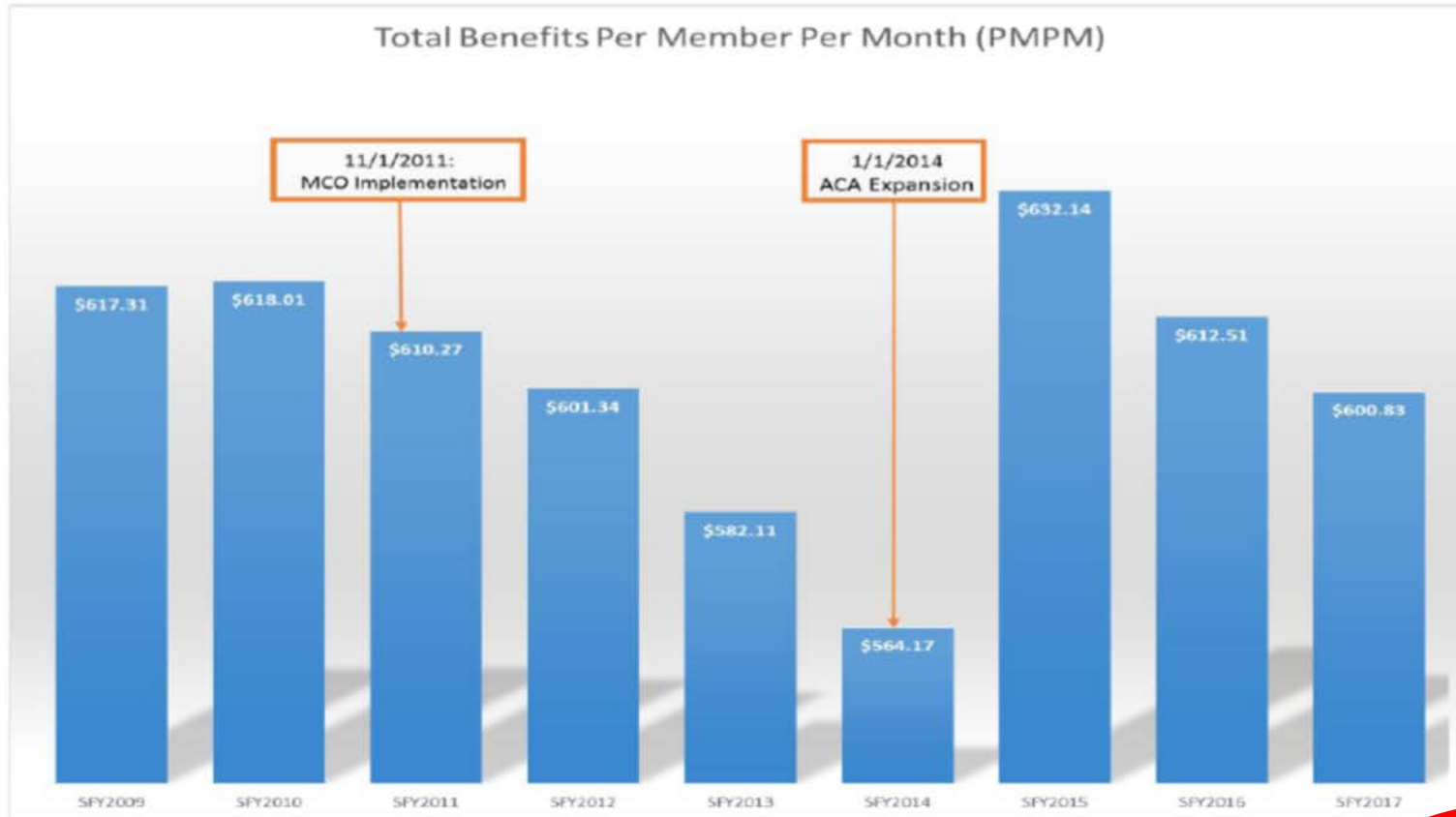


States Contracting with MCOs/PIHPs

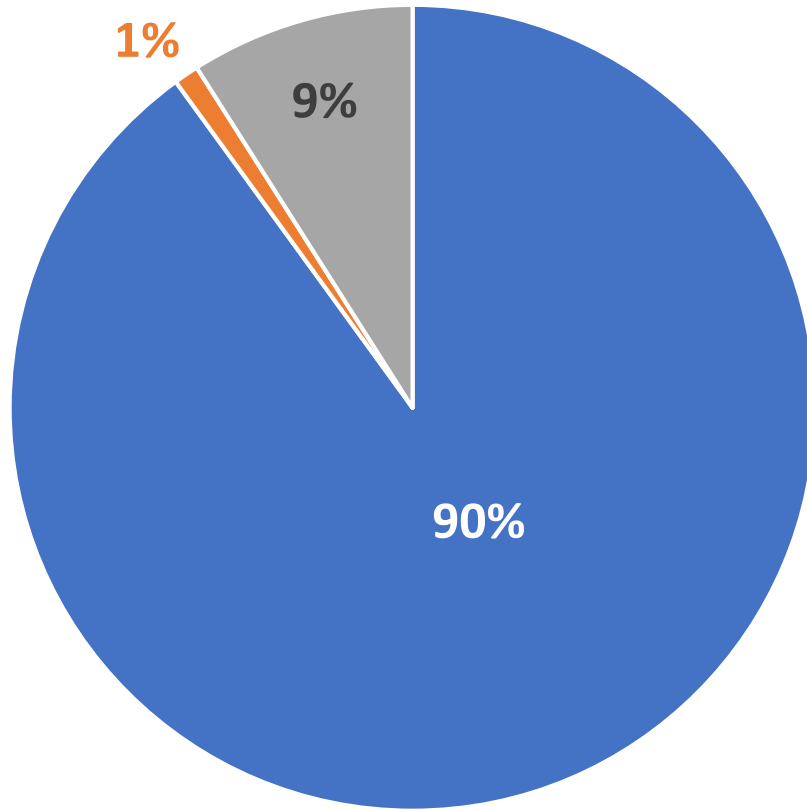


States with MCOs/PIHPs States without MCOs/PIHPs

MEDICAID EXPENDITURES - BENEFITS



Financial Components



■ Medical Claims & Quality Improvement Activities ■ Allowed Margin ■ Non-Medical Expenses

- 90% MEDICAL CLAIMS & QUALITY IMPROVEMENT ACTIVITIES
- 1% ALLOWED MARGIN
- 9% NON-MEDICAL EXPENSES

Elements of Medical Claims & Quality Improvement:

Medical & pharmacy claim payments to providers

Capitation payments to providers

Value based purchasing payments to providers

Supplemental pass-through payments to providers

Better healthcare outcome activities

Care management (i.e. ensures members timely follow-up with providers)

Provide education to improve member health

Elements of Non-Medical Expenses:

Technology

Claims Processing

Utilization Management

Regulatory Requirements (i.e. taxes, fees, state fair hearings)

Community sponsorship (contract requirement)

Member and provider communications

Office space, wages and benefits

Allowed Margin:

MCO profit margin as defined in the Rate Setting Process

Kentucky MCO MLR Results (SFY 2017)

MCO	SFY 2017 / MLR
Aetna	92.7%
Anthem	92.7%
Humana	95.7%
Passport	95.1%
Wellcare	91.9%

Source: Presentation by DMS to the Medicaid Oversight and Advisory Committee, November 27, 2018



On behalf of KAHP and our MCO Members

(Aetna, Anthem Blue Cross Blue Shield Medicaid, Humana-CareSource & WellCare)

Thank you!

