



State of Rhode Island Medicaid Program Managed Care Organization Competition Enhancement Policy Statement

Introduction

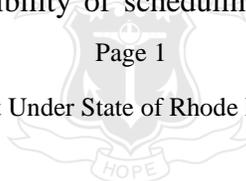
The State of Rhode Island Executive Office of Health and Human Services (EOHHS) is making available this policy statement addressing Medicaid managed care organization (MCO) competition enhancement on an ongoing basis. It builds upon the EOHHS SFY 2018 MCO competition policy statement issued on July 12, 2017.

Policy Statement

It remains EOHHS' view that competition for market share among the three MCOs currently under contract—Neighborhood Health Plan of Rhode Island, Tufts Health Plan, and UnitedHealthcare Community Plan—is in the best interests of State of Rhode Island Medicaid Program beneficiaries. By fostering competition among these MCOs, EOHHS is acting as a value-based purchaser in its oversight of the MCOs because this will contribute to creating an environment where the MCOs have the greatest incentive to create a positive beneficiary experience.

To enhance the competitive environment prospectively, EOHHS will put into place the following three further measures:

- 1. Automatic Assignment Algorithm Minimum Market Share Alteration:** Starting April 1, 2018, if an MCO's market share drops below 10% for a given product line in a given month, the automatic assignment algorithm for the following month will be altered and remain as follows until the MCO's market share reaches 10% for the applicable product line. If a beneficiary does not select a MCO or another program option, he or she shall automatically be assigned to an MCO. The algorithm will split automatic assignment between MCOs at the household level for new members that did not select an MCO at the time of their eligibility determination, did not have a prior enrollment history with an MCO within the past 60 days, and is not added to a household who is already participating with an MCO as follows: 80% for the MCO with a market share below 10% and 10% each for the remaining MCOs. No alterations to any other component of the algorithm shall be made as a part of this measure. Calibrating the auto assignment algorithm in this way will ensure that all MCOs maintain minimally viable market share.
- 2. Automatic Assignment Algorithm Performance-Based Exploration:** EOHHS will, in dialogue with the MCOs, explore the possibility of prospectively instituting a performance-based automatic assignment algorithm that would account for factors such as: contractual compliance, provider access, and quality outcomes. Exploring this with the MCOs will support an active contract management approach and potentially provide an additional incentive for high performance.
- 3. Future Annual Plan Change Opportunities:** EOHHS will, in dialogue with HealthSource RI (HSRI), explore the possibility of scheduling future annual plan change opportunities



(formerly known as open enrollment periods) to coincide with individual market open enrollment periods—both of which are conducted through HSRI. Exploring this with HSRI will maximize consumer awareness of appropriate health insurance options and reduce the administrative burden to MCOs and the State.

Conclusion

Together the three measures outlined above will provide additional positive incentives for MCOs to compete for membership while maintaining consistent and transparent rules for the market. EOHHS will monitor the effect of these measures as they are implemented as well as those previously outlined.

