

Assessing the Impact of Increased Market Penetration of Specialized For-Profit Medicaid Managed Care Plans

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Presentation Outline

- Expansion of Medicaid managed care (and SCHIP programs)
- Evolution of Medicaid HMOs
- Emergence of Medicaid managed care as a niche business segment and emergence of for-profit plans
- Finance and market issues

Evolution of Medicaid HMOs

- Safety net providers - general hospitals and community health centers
- Commercial HMOs
- Medicaid entrepreneurs
- Stock companies
- Consolidation and acquisition

A Niche Business

- Shift to for-profit companies
- Joint ventures with community providers
- Successful public offerings

Emerging Companies

- AmeriChoice (United HealthGroup)
- AmeriGroup
- Centene
- Molina
- WellCare
- WellPoint Health Networks

AmeriChoice

- United HealthGroup acquired plans in New York, New Jersey and Pennsylvania.
- New acquisition - Great Lakes Health Plan in Michigan
- Converting other UHC Medicaid plans to AmeriChoice: Wisconsin
- An HMO within an HMO

AmeriGroup

- District of Columbia/Maryland
- Florida (acquired Physicians Healthcare Plan)
- Illinois (acquired Families First)
- New Jersey
- Texas (acquired some Blue Cross Medicaid plans)

Centene

- Does not do business under that name in any local market
- Managed Health Services of Indiana
- University Health Plan in New Jersey (acquired in 2002)
- Buckeye Community Health Plan (Ohio) - acquired Family Health Plan Medicaid
- Superior Health in Texas (joint venture with community health centers; acquired some Blue Cross Medicaid plans)
- Managed Health Services (Wisconsin)

Molina Healthcare

- California (started as family-owned clinics)
- Michigan (acquired American Family Care, Good Health Michigan and parts of CareChoice, Community Care and Community Choice Michigan)
- New Mexico (will acquire Cimarron Health Plan)
- Utah
- Washington

WellCare

- Connecticut
- Florida (acquired Tampa General Health Plan, now called HealthEase)
- Illinois/Indiana (acquired Harmony)
- New York

WellPoint Health Networks Medicaid Operations

- California Blue Cross
- Puerto Rico
- Virginia
- West Virginia

Finance and Market Issues

- Outlook for state payment rates
- Risk of having a single customer
- States moving to managed care for people with disabilities -a new business opportunity?
- More acquisitions likely?

For Additional Information

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