NEW YORK STATE | Office for People With Developmental Disabilities

Understanding Managed Care

September 2023

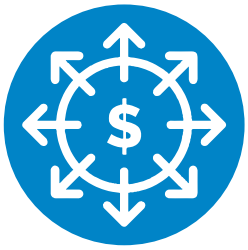
Plain Language

Understanding Managed Care

Managed Care is a way of coordinating and paying for services to improve outcomes for people.

In a Managed Care payment structure, Managed Care Organizations coordinate services and pay service provider agencies that deliver services to people.

The State gives Managed Care Organizations a set amount of money each month to spend to give each person the services they need.



The Managed Care organization is not paid each time a service is provided.

The idea behind Managed Care is that upfront payments will allow providers more flexibility in how they meet people's needs.

How OPWDD services are paid for today

OPWDD services are mostly paid for by money from the federal Medicaid Program.

OPWDD services are paid by Medicaid in different ways, depending on which organization people choose to support them.

1. **Fee-For-Service** - Some people get OPWDD services from developmental disability service providers who are paid through what is called Fee-for-Service (FFS). This means providers are paid directly for services they provide after specific services are provided.

2. **Managed Care for Some Services** - Other people get medical and behavioral health services from Managed Care Organizations and their OPWDD services from a developmental disabilities provider agency in Fee-For-Service. In this situation, the State pays the Managed Care Organization a set amount of money for each person's medical and behavioral health services and pays developmental disability service providers for each service they provide (Fee-for-Service).

3. **Managed Care for All Services** - Some people have enrolled in a Managed Care Organization that provides all their services (Partners Health Plan). The State pays the Managed Care Organization a set amount every month for each person the organization supports. The set monthly amount must be used to meet all of a person's needs, their medical and behavioral health services and supports related to their developmental disability..

OPWDD and the NYS Department of Health oversee how Managed Care Organizations operate.

Deciding To Use Managed Care for more OPWDD Services or Not

For years OPWDD has been thinking about changing services that are paid with Fee-For-Service payments to Managed Care payments (one monthly payment per person).

OPWDD has not yet made a decision to make any changes to how services are paid for. OPWDD may decide to make changes or to not make any changes.

If OPWDD finds it is a good idea to change how services are paid for, the agency will discuss the idea with people who get services, their families and service providers before making any changes.

To learn more about the best ways to pay for services, OPWDD is paying for a group called Guidehouse to study different ways that OPWDD could pay for the services it provides.

Guidehouse will tell OPWDD what is good about each possible way and what is not good about each possible way.

Guidehouse will talk to people with developmental disabilities and their families, service providers, advisory boards, other state governments and experts to understand all points of view.

Guidehouse will look at all the information people provide and suggest what type of payment system OPWDD should use to best meet the needs of people with developmental disabilities.

Guidehouse issued its first report in December 2022.

Guidehouse will issue its final report in Spring 2024.

To see the first Guidehouse report and learn more about the study of Managed Care, visit the OPWDD Managed Care Assessment page.

www.opwdd.ny.gov

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