

## PAYERS & GOVERNMENT HEALTH PROGRAMS

### Medi-Cal Managed Care Plans

Medi-Cal, California's Medicaid program, provides health care services to low-income individuals and families. Managed care plans play an important role in the system. These plans aim to improve health care access, quality, and cost-effectiveness by structuring services around a network of contracted providers operating under a capitation system. Like Medicaid enrollment nationwide, nearly all of California Medicaid beneficiaries are enrolled in Medi-Cal Managed Care. <sup>1</sup> The state pays managed care organizations (MCOs) a fixed monthly fee per patient, incentivizing cost management while ensuring necessary care. <sup>2</sup>

Medi-Cal managed care plans are classified into several types, including the two-plan model, County Organized Health System (COHS), and Geographic Managed Care (GMC). The two-plan model, common in many counties, has one Local Initiative (a public health plan) and one Commercial Plan (a private health plan). COHS counties have a single public plan that administers all Medi-Cal benefits. GMC operates in specific urban areas, providing a variety of commercial plans.

There are several potential advantages to these managed care programs: <sup>3</sup>

- Case management and integrated care models can improve care coordination.
- Capitated payments encourage plans to prioritize preventive care, such as immunizations, screenings, and wellness visits, which aid in the early detection of health issues and reduce costs of care.
- Medi-Cal managed care plans often use innovative health programs designed to meet specific needs, such as maternal and child health initiatives, behavioral health integration, and chronic disease management to improve patient health.
- Continuous improvement is incentivized through required quality benchmarks, Healthcare Effectiveness Data and Information Set (HEDIS) scores, and patient satisfaction surveys.

Medi-Cal managed care plans face several challenges. Ensuring a strong provider network amidst provider shortages can be difficult, especially in rural areas. Administrative complexity makes navigating managed care requirements difficult for both providers and beneficiaries, resulting in barriers to care. Despite goals of comprehensive services, there are still gaps in care for low-income and marginalized populations due to differences in plan performance and local provider availability. These differences result in unequal access to services.

Starting in 2024, Medi-Cal Managed Care will be undergoing significant changes through the five-year California Advancing and Innovating Medi-Cal (CalAIM) program reform, which will include behavioral health integration, community support to address health-related social needs, state-managed long term care coordination, and new requirements for managed care plans around quality, access, accountability, and transparency. To review CalAIM initiatives, goals, timelines, and progress, visit the [California Department of Health Care Services CalAIM](#) webpage.

For other questions about Medi-Cal Managed Care, visit the [California Department of Health Services Medi-Cal Managed Care contact information](#) page.

For the most recent list of Medi-Cal Managed Care plans, see the [California Department of Health Care Services Medi-Cal Managed Care Plan Directory](#).

## References

- 1 Hinton, E., & Raphael, J. (2024). 10 things to know about Medicaid Managed Care. Retrieved from <https://www.kff.org/medicaid/issue-brief/10-things-to-know-about-medicare-managed-care/>
- 2 California Department of Health Care Services. (2023). Medi-Cal Managed Care. Retrieved from: <https://www.dhcs.ca.gov>
- 3 California Health Care Foundation. (2019). Understanding Medi-Cal Managed Care: An Overview. Retrieved from: <https://www.chcf.org/publication/medi-cal-program-overview/#related-links-and-downloads>