A Viable Alternative to Private Managed Care Models in Medicaid: Performance of Oklahoma’s Primary Care Case Management Program in Controlling Preventable Hospitalizations

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**BACKGROUND**
- Since 1995, Oklahoma Medicaid has served most non-elderly enrollees through managed care.
- From 1996 to 2003, private managed care organizations (MCOs) served urban enrollees, and a state-run primary care case management (PCCM) program served rural enrollees.
- In 2004, Oklahoma ended its contracts with MCOs and expanded the PCCM program statewide.

**OBJECTIVE**
- To assess whether replacing MCOs with the PCCM program in urban areas affects preventable hospitalizations among Medicaid enrollees.

**METHODS**
- Eligibility data from Oklahoma Medicaid were linked with hospital inpatient discharge records from the Department of Health for 2003, 2005, and 2006.
- Preventable hospitalizations were identified using software from the Agency for Healthcare Research and Quality.
- Using difference-in-difference logistic regression models, we estimated the effect of replacing MCOs in 2004 on the likelihood that urban enrollees experienced a preventable hospitalization.
  - Rural enrollees were the comparison group.
  - Data from 2003 represented the pre-transition period. Data from 2005 and 2006 represented the post-transition period.

**FINDINGS**

**Figure 1. Rates of Preventable Hospitalization Among Oklahoma Medicaid Enrollees, 2003 to 2006**

**Table 1. Change in Likelihood of Preventable Hospitalization (Urban vs. Rural Enrollees)**

<table>
<thead>
<tr>
<th>Enrollee Group</th>
<th>Year</th>
<th>Odds Ratio</th>
<th>95% CI</th>
<th>p Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Children, Ages 0–19</td>
<td>2003 MCO vs. PCCM</td>
<td>1.01 (0.98–1.05)</td>
<td>0.51</td>
<td>2005 MCO vs. PCCM</td>
</tr>
<tr>
<td>Adults, Ages 20–64</td>
<td>2003 MCO vs. PCCM</td>
<td>1.00 (0.96–1.04)</td>
<td>0.93</td>
<td>2005 MCO vs. PCCM</td>
</tr>
</tbody>
</table>

**Figure 2. Distribution of Oklahoma Medicaid Enrollment and Preventable Hospitalizations, 2006**

**CONCLUSIONS**
- In general, the performance of the state-run PCCM program in Oklahoma was similar to private MCOs in controlling preventable hospitalizations.
- Trends in preventable asthma hospitalizations among children were not as favorable following MCO replacement, suggesting the need for continued improvements in the PCCM program.