

HHS NEWS

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HCFA ANNOUNCES 25 MANAGED CARE PLANS AS CANDIDATES TO PARTICIPATE IN MEDICARE CHOICES DEMONSTRATION PROJECT

The Health Care Financing Administration today announced that 25 managed care plans in eight cities and five rural areas have been selected as final candidates in the new Medicare Choices demonstration, which is designed to give Medicare beneficiaries expanded choices among types of managed care plans and test new ways to pay for managed care.

President Clinton said, "I am pleased that my Administration is able to take steps right now to give Medicare beneficiaries what they want and deserve -- high quality health care and increased choices. This action will provide beneficiaries with real and varied alternatives in health care plans and provide us with information on improved ways to pay for these alternatives. It is a vital part of our effort to ensure that the nation's 37 million older Americans have a full range of health plan options available to them."

Most of the plans are located in market areas that currently have limited Medicare enrollment in managed care.

The eight cities are: San Diego, Calif.; Jacksonville and Orlando, Fla.; Atlanta, Ga.; New Orleans, La.; Columbus, Ohio; Philadelphia, Pa.; and Houston, Texas. Award candidate organizations also are located in rural areas in Illinois, Montana, New York, North Carolina and Virginia. Site awards are

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expected to begin in early summer.

Beneficiaries currently can obtain managed care through the nearly 300 health maintenance organizations nationwide that participate in the Medicare program. Under the Choices demonstration, beneficiaries living in the selected cities and rural areas will have the option of joining new types of managed care plans, most of which currently are not available in the Medicare program.

The final candidates include nine provider-sponsored networks, eight provider-owned HMOs or providers with HMO partners, and eight HMOs or preferred provider organizations.

"Medicare Choices is an exciting opportunity for beneficiaries and the Medicare program," said HHS Secretary Donna E. Shalala. "This demonstration project helps to move Medicare forward toward the 21st century."

The selected organizations will begin the final steps of the Choices Demonstration award process late this month. This includes obtaining certification by HCFA's Office of Managed Care. Once plans complete this process, they will become Choices Demonstration sites and can begin enrolling Medicare beneficiaries. Some sites might begin as early as this summer, with the remainder expected to be in operation by December.

The Medicare Choices demonstration was designed and will be conducted by HCFA's Office of Research and Demonstrations.

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The final candidates by metropolitan area are:**Atlanta, Ga.**

Georgia Baptist Health Care System
The Morgan Health Group, Inc./NYLCare
St. Joseph's Hospital
Value Health, Inc.

Columbus, Ohio

IDS Consortium
Mount Carmel Health System
Nationwide HMO

Houston, Texas

Memorial/Sisters of Charity Health Network
NYLCare of Houston

Jacksonville, Fla.

HealthCare USA

New Orleans, La.

Advantage Health Care
New Orleans Regional Physician Hospital Organization (Tenet)
Ochsner/Sisters of Charity Health Plan
Value Health, Inc.

Orlando, Fla.

Florida Hospital HealthCare System

Philadelphia, Pa.

Crozer-Keystone Health System
Health Partners of Philadelphia
Independence Blue Cross
Mercy Health Corporation

San Diego, Calif.

University of California at San Diego HealthCare

The final candidates in rural areas are:

Compre-Care, Inc. (Upstate New York)
Health Alliance Medical Plans, Inc. (Illinois)
Qual Choice of North Carolina
Qual Choice of Virginia
Yellowstone Community Health Plan, Inc. (Montana)

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