

What is an MCO?

A Managed Care Organization, or MCO, is a health care provider or a group of medical service providers who offer managed care health plans. It is a health organization that contracts with insurers to deliver health care using a specific provider network, services and products. They provide a wide variety of quality and managed health care services keeping medical costs down through preventative medicine and patient education.

Which MCOs manage West Virginia's Medicaid Program?

In West Virginia there are four (4) MCOs that manage the Medicaid Program:

- Aetna Better Health of WV
- The Health Plan of WV
- UniCare
- West Virginia Family Health

What is the difference between Fee for Service (FFS) and Managed Care (MCO)?

Under the Fee for Service Model, medical providers and facilities bill the state directly for services provided to their members. Because they are not monitored or managed, it leads to unpredictable service volumes as well as unnecessary services performed. Even though a fee schedule is established, increasing utilization patterns continue to drive costs up.

Under the Managed Care Model, the state pays a managed care company a per member, per monthly fee to manage the care of an individual member. The cost of care is set for the state and the risk is carried by the MCO; the MCO is also responsible for paying the providers for services rendered.

Since the early 1990's, the national trend has been to increase the roll of Managed Care in the Medicaid system – only 7 states do not use the MCO model.

What are the benefits of managed care?

Managed care is a more efficient, private sector means of providing healthcare to its members therefore saving taxpayer money. The MCO model manages risk and provides budget predictability because the state pays a set fee per member while the companies absorb the risk. Managed Care increases quality through independent accreditation and contractual monitoring by the DHHR which aids in providing better outcomes for its members and better communication among various health practices. All these benefits help to explain why so many states are migrating towards the MCO model as it presents a more effective solution to the challenges relating to healthcare distribution.