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June 1, 2011

Mr. Kevin Morrill, Chief State of California – Health and Human Services Agency Department of Health Care Services Office of Medi-Cal Procurement MS 4200 P. O. Box 997413 Sacramento, CA 95889-7413



Dear Mr. Morrill:

Thank you for the opportunity to respond to the State of California's Request for Information on Pilots for Beneficiaries Dually Eligible for Medi-Cal and Medicare on behalf of the Department of Health Care Services. This RFI response provides an overview of the services that Humana is able to offer with regard to strategies for the delivery of quality, coordinated, and comprehensive care to Dually Eligible beneficiaries.

As one of the nation's leading health benefits solutions companies, Humana has developed effective and comprehensive care management models that have consistently resulted in lowering claims trend. Humana's response details the integrated clinical strategies applied to Medicare and commercial members. Humana's care management model is outlined on pages 1-9 of the RFI response. Humana recommends the State consider including elements of this model, particularly the Long-term Care Management Model described on pages 4-9, in the State's model for the Pilot. Humana's model demonstrates strategies for the effective provision of long term supports and services that address the State's goal of decreased reliance on institutional care and increased self- management of chronic illness as well as independent living.

Humana recognizes the high level of behavioral health needs within the dually eligible population. Humana offers a comprehensive Managed Behavioral Health (MBH) program described on pages 9-13 of the RFI response. Humana's MBH program includes a model for integrating medical and behavioral healthcare by reaching out to members with co-occurring medical and behavioral issues to assist them in getting the treatment they need.

Humana's integrated pharmacy model is described on pages 16-19 of the response. In order to maximize the effectiveness of the program, it is imperative for Humana to administer the claims payment for both medical and pharmacy services. This ensures that the utilization and complex care management models are updated with real-time pharmacy data and allows Humana to efficiently apply all of its integrated medical and pharmacy management tools to produce more effective results. In addition, it allows the application of processes to identify fraudulent claims activity.

As demonstrated in the RFI response, Humana is fully capable of offering a comprehensive program capable of meeting the diverse needs of California's dually eligible population. Humana currently has relationships with providers across the State of California as a result of its

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Medicare Advantage product offerings. However, Humana would need to re-contract the provider network to support the Medicaid product, which may be challenging in certain geographies. As represented by the growth in provider partnerships and membership across the country, Humana has demonstrated the ability to build and sustain a network of providers.

Humana is a full-service benefits solutions company, offering a wide array of health and supplemental benefit plans for employer groups, government programs and individuals, with approximately 10.1 million medical members and approximately 7 million specialty-benefit members.

In today's challenging healthcare environment, spiraling medical and prescription costs demand innovative solutions. Humana's products and services are designed to help control costs and empower members to become active participants in their own healthcare decision making. Our RFI response outlines some of the ways Humana can achieve the stated goals of the Pilot for beneficiaries dually eligible for Medi-Cal and Medicare, and thereby reduce expenses for the State of California.

Please do not hesitate to call me should you have any questions on any aspect of this RFI.

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Sincerely,

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Enclosure