Perspectives on Medicaid

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Medicaid

- Medicaid is not an entitlement
  - Coverage based upon income **and** being aged, blind, disabled, pregnant or have dependents.
- Medicaid does provide a broad range of services, including many not typically covered under standard health insurance.
  - Nursing facility care, full vision, dental and prescription drugs, for example.
- Medicaid rules:
  - Limit the ability to require meaningful deductibles, copayments, coinsurance.
  - Limit the ability to penalize the beneficiary for non-compliance with care plans.

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Common Problems

- Overcoming the problem of poverty
- Managing chronic health conditions for aged, blind and disabled.
- Mental illness and addiction are mostly episodic, people enter the system very ill.
- Non-elderly family may not have ongoing health needs, sporadic eligibility
  - Example: eligible due to pregnancy
- Rural, dispersed population.

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Managed Care in Montana

- Montana has no true HMOs in the commercial insurance market.
- Rural states rarely offer traits that allows managed care to flourish:
  - Many providers willing to compete for contracts
  - Large enrollment over which to spread risk
  - Readily available primary care for access/specialty care for referrals.

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Barriers to Medicaid Managed Care

- Distinct Medicaid Populations
  - Aged, blind and disabled
  - Mental Illness and Addiction
  - Non-elderly family
- Eligibility Constraints
  - Eligibility is time limited, must be renewed
  - Must continuously meet eligibility criteria
  - Medicare and Medicaid “dual eligibility”
- Provider Access
  - Medicaid reputation for “low, slow and no payment”
  - Medicaid population has no “skin in the game”

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Attempts at Medicaid Managed Care

- Mental Health Services Plan
  - Fully capitated managed care for mentally ill patients.
- Health Now Medicaid
- Pace Program (long term care)
  - Shared risk for managed care of elderly, disabled enrollees.

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Alternative Forms for Managed Care

- Preauthorization, case management
- Medical review policies/best practices
- Peer review
- Preferred Provider Organizations
  - Steer patients to contract providers
  - Lower contract costs, some agreed medical protocols.
- Medicaid utilizes most of these strategies.

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ACA Expansion

- Non-elderly, low income population
  - Does not require the “deprivation” of dependents.
  - Likely to include working families, and the ‘young and invincible’ adults.
- Could double the number of Medicaid population in Montana
  - Rates fully funded by Federal Government, for a while.
  - May not have the needed provider community for access.
- May impact local county eligibility workers, others due to volume of applicants.
- Interaction with FCHIP, IHS and Exchanges.

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Value Based Medicaid

- Worthwhile goal to tie Medicaid payment to quality measures
- Medicaid needs to participate in market reforms and changes
- Medicaid will face unique challenges unlike Medicare and Commercial
- Access is key to any new plan

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Emerging Models

- Pay for Performance
- Medical home
- Reduced payment for “never events” and avoidable complications.
- Bundled Payment
- Capitated Management for Chronic Illness: PACE

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Barriers Facing Medicaid

- Inconsistent Eligibility
- Program Silos
- No data collection for quality benchmarks
- Have not yet developed new payment models to test with providers/consumers

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