

HPCA's Suggestions for Medicaid Sustainability and Reform

Principles for Reform

1. Everything is on the table. We can't make Medicaid a sustainable program by addressing costs and benefits only for a subset of the program, especially when it is not the most costly part of the system. According to Secretary Sebelius in her February 3rd letter, "dual eligibles" – largely the enrollment in QExA - account for "15 percent of Medicaid beneficiaries but nearly 40 percent of all Medicaid spending." She further says, "This population offers great potential for improving care and lowering costs by replacing the fragmented care that is now provided to these individuals with integrated care delivery models."
2. Medicaid changes must not result in more people becoming uninsured. Tremendous permanent harm results from inadvertent loss of coverage and MQD lacks capacity to effectively oversee an annual re-enrollment process and rapidly re-enroll eligible people who are dropped.
3. Medicaid changes must not be contrary to the tenets of successful health care reform and longer-term strategies, i.e., they mustn't discourage access to primary care or reduce efforts for better care integration and management.
4. Medicaid changes must not shift the burden of care to essential providers, including federally qualified health centers, hospitals, or long term care facilities.

- Convene a working group to work on short-, mid-, and long-term solutions. The group must include a cross-section of stakeholders and not be composed of only health plans.
- Maintain the services most likely to reduce more costly utilization such as ER visits and hospitalizations. These include unfettered access to primary care and generic prescription drugs.
- Ensure that Medicaid clients who might have Medicare, the VA, or private insurers as primary payers are correctly classified.
- Re-bid QUEST programs soon and regularly to obtain more competitively priced contracts. This is particularly true for QExA, which where there is significantly more spent for a smaller population. Rebidding QExA will also allow the State to collect and retain the premium tax for any for-profit companies contracted, in accordance with Act 69.
- Encourage the development of ER diversion programs.
- Explore less costly community-based care models for the elderly and disabled.
- **The most important aspect for reforming the Medicaid system and improving health and sustainable cost-effectiveness is embracing the patient-centered health care home (PCHCH).** PCHCH parameters must be included in the next QUEST/QExA RFPs. The PCHCH is the locus for the following strategies:
 - Emphasize primary care.
 - Improve the management of chronic diseases.
 - Increase coordination of care to reduce errors, inadequate follow-up, and duplication.
 - Identify and develop strategies for the small percentage of patients who use significantly disproportionate resources.
 - Incentivize good outcomes and care management vs. quantity of visits and procedures.
 - Get patients to fill their prescriptions and take their medications as directed.
 - Help patients make informed medical decisions and discuss end-of-life care decisions.