

The Inside Scoop: Medicaid and Mental Health from the Medicaid Directors' Perspective

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National Association of Medicaid Directors (NAMD)

- NAMD created in 2011 to support the 56 state and territorial Medicaid Directors.
- Core functions include:
 - Develop consensus on critical issues and leverage their influence with respect to national policy debates;
 - Facilitate dialogue and peer to peer learning amongst the members; and
 - Provide best practices and technical assistance tailored to individual members and the challenges they face.

Medicaid 101

- Public health care coverage program
 - Administered by states within a federal regulatory framework
 - Jointly financed by the federal government and states
- Currently spending more than \$420 Billion per year
- 72 million Americans relied on the program for at least some part of 2012
- 20-25% of most state budgets

Medicaid's Complexity

- Due to state decisions compounded over nearly 50 years, the program looks markedly different in practically every state
 - Who is covered, what services are offered, how services are delivered, as well as how and how much providers are paid
- Within any given state, Medicaid's role is multi-faceted:
 - Coverage for many, but not all, of the poor
 - Almost 50% of the nation's births
 - The majority of all long term services and supports
 - The majority of mental health funding, HIV/AIDS funding, etc.

Medicaid's Challenges and Opportunities

1. Implementation of the Affordable Care Act (ACA)
 - Medicaid Expansion Decision
 - Systems Overhaul and Interaction with Exchanges
2. Medicaid As the Primary Driver of "Health Care Reform"

Implementing the ACA

- In many ways, the foundation of the health reform law is built upon Medicaid.
 - ½ of the ACA's trillion dollar budget is Medicaid (simplification and expansion)
- Requires a revolution in how eligibility systems work.
- Creation of Exchanges/Marketplaces (state, federal or partnership)

To Expand or Not? That is the Question

- Political
 - Big P: Is embracing Obamacare the political kiss of death?
 - Small P: Role of chambers of commerce and state hospital associations
- Ideological/Policy
 - Is expanding Medicaid in its current form the best way provide coverage to 17 million new individuals?
 - Does holding out give a state more leverage to obtain greater flexibility in how the new or existing program is run?
- Financial
 - What is the short and long term benefit/risk to states of the expansion

The Big Remaining Question(s)

- 1) How many states will adopt the expansion, and when?
 - Half the states in year 1 (so far)
 - How many in 2015? Beyond?
- 2) What will the expansion look like in those states?
 - Arkansas model (premium assistance) will stress an increase in covered lives through the Exchange.
 - Personal Responsibility Models
 - Will the Administration feel compelled to meet reluctant states halfway, or simply wait them out?

Preparation for Launch of the ACA

- The system is not and will not (for some time) be the “Travelocity of Health Care”
- Breadth and magnitude of changes are unprecedented (scope and speed)
- Day 1 was bumpy, but problems will be identified, prioritized and fixed

Medicaid’s Primary Problem?

- Despite the rhetoric, its not inherently broken!
- It is merely a reflection of the broader U.S. health care system
 - 18% of GDP produces sub-optimal outcomes
 - The system is dysfunctional and inefficient
 - The fee-for-service (FFS) delivery (and payment) model cannot work in a fractured, silo driven environment
 - Physical vs behavioral vs pharmaceutical vs long term care
 - Medicare vs Medicaid
 - Payment incentives are badly aligned and drive unnecessary utilization and spending

Solution? Reform the Whole System!

- Move away from FFS (or “fend for self”) towards more managed, coordinated care
- Re-align dysfunctional silos, such as the Medicare/Medicaid relationship for dual eligible, or the disconnect between an acute care system and a mental health system.
- Create new payment incentives that financially reward keeping patients out of hospitals and other care/cost-intensive settings

Reform (continued)

- Many avenues to a more holistic system.
 - Capitated managed care plans
 - For profit or not for profit
 - ACOs
 - State agency acting as a managed care plan
 - Medical or Health homes (often patient centered)
 - Shared savings models

Spiderman Philosophy

- With great power, comes great responsibility
- Health improvement must incorporate increased responsibilities:
 - Personal
 - Diet, exercise, focus on prevention, compliance with plans of care/treatment
 - Provider
 - Patient cant do it alone, health literacy is low
 - New tools: medication adherence, timely interventions and investments
 - Plan
 - Create the environment that rewards success and thoughtful investment/intervention/innovation

Commonalities of a Reformed System

- Nexus of responsibility for the holistic care and cost of patients
- Ability and financial incentive to intervene in innovative ways to create health
- Eliminating incentive to shift costs to other payers

Innovations in Behavioral Health

- Integrating behavioral and primary medical care
- Coordinating services across state and local agencies
- Promulgating evidence-based practices
- Increasing consumer and family involvement
- Innovative Payment Mechanisms
- Value Based Purchasing
- Increased Performance Expectations
- Focus on IT enhancements
- Early intervention, prevention, and wellness

Value Based Reimbursement

- This is at the heart of any significant health system reform.
- Managed Care 2.0
 - Holding Plans Accountable for Cost and Quality
 - Measurable/Enforceable Outcomes
- Shared Savings
 - Achievable in FFS (Arkansas)

Getting on Medicaid's Radar Screen

- The Medicaid Director controls 20-30% of the state budget, comparable to a Fortune 500 company. They maintain accountability despite being:
 - Under-staffed
 - Under-resourced
 - Over-committed
 - Mental Health often administered by local/county/regional government agency

Effecting Change in Medicaid

- Directors have "Opportunity Fatigue". Too many options/demos/pilots/carve-outs.
- Constantly bombarded by surveys, snake-oil salesmen, and solicitations
- Be the aspirin, not the headache
- Identify solutions, not just problems. Moreover, be a PART of the solution.
- Don't be resistant to change. It is inevitable, and for good reason.



National Technical Assistance Center for Children's Mental Health
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Questions & Comments



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