

Medicaid Managed Care

The Essential Role We Play in the Lives of Your Constituents

What is Medicaid?

Medicaid is a joint federal and state program that provides free or low-cost health coverage to millions of Americans, including some low-income individuals, families and children, pregnant women, the elderly, and people with disabilities. As of November 2022, reflecting the impact of COVID-19 Public Health Emergency (PHE) policies, Medicaid and CHIP enrollment reached more than **91 million** beneficiaries.

What is Medicaid Managed Care and How Does It Work?

States may provide Medicaid services under either or both a fee-for-service model and a managed care model.

- » Under a **fee-for-service delivery model**, states make payments directly to providers for services provided, and the federal government reimburses the state its share of spending based on these payments.
- » Under a **managed care service delivery model**, states pay Medicaid managed care organizations (MCOs) a capitation payment, which is a fixed periodic payment per beneficiary enrolled in an MCO, typically, per member per month.

Medicaid Managed Care by the Numbers:

Medicaid MCOs deliver high quality health care to nearly three-quarters of America's 91 million Medicaid enrollees.

What does "Managed Care" mean for Medicaid beneficiaries?

Managed care administers the delivery of holistic health care solutions that provide improved health care outcomes for Medicaid beneficiaries. Medicaid MCOs utilize a person-centered approach that facilitates the delivery of quality care and services and the elimination of silos that create care fragmentation.

✓ Care management and coordination

Case management optimizes family and caregiver engagement including ensuring that communications with family and caregivers are transparent, clear, consistent, culturally appropriate, and take into consideration the issue of health literacy. Support provided by a coordination team and consistent care management can help a child and family navigate multiple health care systems and providers to ensure timely and appropriate care.

Example: Medicaid MCOs have found that children with medically complex needs benefit from a consistent care management and coordination team that can help the child and family navigate multiple health care systems and providers to ensure timely and appropriate care.

✓ Social Determinants of Health (SDOH)

SDOH are non-medical factors that are associated with negative outcomes and higher cost of medical care for Medicaid beneficiaries.

Example: Medicaid MCO investments in community health projects, such as mobile health clinics, help address the needs of communities that are in areas that are underserved or are facing provider shortages.

» **Health Equity**

Health equity is the state in which everyone has a fair and just opportunity to attain their highest level of health.

Example: Medicaid MCOs ensure network providers deliver culturally competent and linguistically appropriate care through various approaches such as providing cultural competency/humility trainings to all providers.

» **Data Driven**

Data access and data management are valuable tools that can support targeted efforts to improve health outcomes and drive programs, including efforts to address health equity.

Example: Through data analytics, Medicaid MCOs can identify gaps in care and deploy effective targeted efforts to improve health outcomes and drive programs that enable health equity (e.g., COVID-19 vaccination status).

» **Quality of Care**

Medicaid MCOs have accountability to their state partners through enhanced quality performance measurement and data analytics.

Example: An increasing number of states require Medicaid MCOs to report on quality measures related to SDOH.

» **Innovation Based Payment Arrangements**

Value based payment arrangements link improved provider performance and/or patient outcomes to payments.

Example:

Medicaid MCOs leverage value-based arrangements to ensure that beneficiaries receive high-quality services.

» **Financial Accountability and Predictability**

Financial benefits for states contracting with Medicaid MCOs include aligned financial incentives, budget predictability, accountability, and limited financial risk and contribute to the long-term sustainability of the Medicaid program.

Example: 72% of all Medicaid beneficiaries receive their care through MCOs, while payments to MCOs only account for 52% of total national Medicaid spending, according to the Kaiser Family Foundation.

MEETING THE MEDICAID MOMENT

Medicaid MCOs are partners in the delivery of care and services whether working with their state partners, the federal government, providers, community organizations, or Medicaid beneficiaries.

» During the **COVID-19 PHE**, Medicaid MCOs assisted their state partners with efforts to minimize disruptions in the delivery of care and

services and to facilitate equitable access to COVID-19 vaccines.

» Medicaid MCOs continue to work with their state partners and the Centers for Medicare & Medicaid Services (CMS) to support the needs of Medicaid beneficiaries as they navigate the complex **redetermination** process.