



ALL ABOARD! DESTINATION: HEALTH REFORM

THE NATIONAL ACADEMY FOR STATE HEALTH POLICY 22ND ANNUAL STATE HEALTH POLICY CONFERENCE

OCTOBER 5-7, 2009 / LONG BEACH, CALIFORNIA

NATIONAL ACADEMY
for STATE HEALTH POLICY



Improving Managed Care Quality & Accountability Using State Regulatory Strategies

**National Academy for State Health Policy
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CMS Perspective on Medicaid Managed Care

- **Delivery System of Choice**
 - 70.4% of Medicaid Population Enrolled
 - 74% of the CHIP Population Enrolled
- **Provides Medical Home, Care Coordination, and Continuity of Care**
- **Enhances Access & Contains Costs**

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CMS Perspective on Medicaid Managed Care

- A Value-added product (that may cost more)
- Success Stories:
 - Washington's Kitsap Physician Service
 - Alabama's Maternity Waiver
 - Pennsylvania's HealthPASS Program
 - State Health Care Reform Programs

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CMS Perspective on Medicaid Managed Care

- Managed Care as an Opportunity for State Innovation
- Managed Care Plans as Allies in Fighting Fraud and Abuse

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Medicaid Managed Care Regulations

- Final Rule—August 2002:
 - Permitted Mandatory Enrollment in MMC without waivers
 - Imposed Quality Assurance & Performance Improvement Standards & EQR Requirements
 - Required Actuarially Sound Rates
 - Added Beneficiary Protections; e.g. prudent layperson, appeals rights, information requirements

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Medicaid Managed Care Regulations

- Accountability—States Required to Monitor Programs & Impose Sanctions in Certain Specified Instances
- Program Integrity—Data Certifications and Conflict of Interest Requirements
- End Result: Leveled the Playing Field by Contract Type

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Current Events in MMC

- American Reinvestment and Recovery Act (ARRA)—FMAP Increase
- Children's Health Insurance Program Reauthorization Act (CHIPRA)—Extension of Funding **Plus**

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ARRA and CHIPRA

➤ Congressman Waxman:

With this additional funding must come addition accountability both from States and CMS, particularly with respect to managed care programs.

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ARRA and CHIPRA

➤ CHIPRA Section 403:

Imposes Most of the Requirements in Section 1932 of the Social Security Act (and the 2002 Regulations) on CHIP Managed Care Programs

➤ CMS Issued State Health Officials Letter on this Provision on August 31, 2009

➤ Regulations (NPRM) Will Follow

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MMC Monitoring Issues

- Fee for Service vs. Managed Care Requirements
- State Medicaid Agency vs. Other State Agency, e.g. Insurance Commissioner
- Programmatic Issues vs. Financial Issues
- State Budgets

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Final Thoughts

- We Need to Keep Our House in Order
- There is No Turning Back



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