



State looking for public comment on proposed Medicaid changes

Heidi Toth - Daily Herald | Posted: Tuesday, June 7, 2011 12:25 am

Utah may become one of the first states to revamp Medicaid.

First, though, it needs a waiver from the federal government. As part of that process, the state needs to know what people think about the waiver that would change how health care providers get paid for treating the more than 230,000 Utahns on Medicaid and includes some new levels of responsibility for patients. The waiver generally seeks permission to change how Medicaid payments are made. Under the current system, Medicaid pays per procedure. The difficulty there is that health care providers could do unnecessary tests and procedures simply to get paid more.

The waiver would create accountable care organizations; those organizations, which would be health care providers, would be paid a certain amount of money per month to care for specific Medicaid patients, state Sen. Dan Liljenquist said. The amount paid would depend on how many patients a doctor saw and how risky those patients were.

The hope is this will encourage doctors to perform only the procedures that are needed while helping Medicaid patients to create relationships with doctors and go to physicians instead of the ER, which is the most expensive way to receive health care for anyone not on Medicaid. Those patients pay a \$6 copay.

"That's not anywhere close to what the private sector is paying or even what our CHIP patients are charged in the emergency room," Liljenquist said.

Doctors do not have to accept Medicaid patients, but once they have those patients, they are required to provide the same level of care as all of their patients.

"Premium payments are, by design, a risk-based agreement that the ACO will provide all necessary care to the Medicaid clients to ensure appropriate, quality outcomes," according to the waiver request. "There is no hold harmless or guaranteed break-even."

Ideally, the plan sounds good: necessary treatment delivered more efficiently. Certain stakeholders, however, are concerned that the result of those proposed changes could mean subpar care. Judi Hilman, executive director of the Utah Health Policy Project, said while they are on board with making Medicaid less expensive and patients healthier, the waiver request has too many red flags. The biggest, she said, is what appears to be rationing of health care. The waiver is somewhat based on Oregon's plan, which on the surface does seem to ration care, but those decisions are actually based on evidence-based medicine, not how much money is available. Tests, procedures and treatments are not covered when they are deemed medically unnecessary in specific cases, not simply because the money isn't there.

"When you have that alignment, you have the mechanism to go after all the waste, all the perverse incentives that you have now," she said.

When a care decision is made based on fiscal matters instead of science, that becomes a problem, Hilman said.

Other concerns include the waiver allowing people with the option of employer-sponsored insurance to use the money Medicaid would have used to insure them to purchase their employer's insurance or buy insurance through the Utah Health Exchange. This, however, would take away cost-sharing benefits and end up making it more expensive for those residents, and they would likely lose access to health care.

That doesn't mean higher copays for an ER visit are bad, she said, but if going to the ER is going to get harder, having a primary care physician needs to be easier. There needs to be enough doctors to meet the needs. That's already a challenge.

"We just want more logic, more sort of rational justification for specific cost-sharing increases," she said.

Liljenquist agreed that the state needs to ensure there are enough doctors. Medicaid providers are reimbursed at 47 percent of Medicare providers, and both reimbursement rates tend to be much lower than private insurance. Increasing that rate will encourage more doctors to participate. So will giving doctors the right incentives, he said. If doctors get paid the same amount each month to keep patients healthy as they do to treat sick patients, they will be more likely to help patients stay healthy. That results in better reimbursement for the doctor and better health for the patient.

The state will have to reconsider its quality assurance mechanisms, however, to ensure that doctors are providing the appropriate care. The waiver also includes an option to allow health care providers to request disenrollment of patients if the enrollee doesn't follow the doctor's advice or doesn't keep a good relationship with the doctor.

All of this, however, depends on the federal government giving the state a waiver to change Medicaid. Mike Fierberg, a spokesman for the Centers of Medicare and Medicaid Services, could not comment on the likelihood of the waiver application being successful, although he said it's likely if something was approved, it would not be in the first iteration submitted.

"We'll parse it, we'll look into it, we'll come up with issues we may or may not have with it, then we'll send it back to Utah for reconsideration," he said. "That's usually what happens."

Liljenquist said the goal of SB 180 was to set a framework of what Medicaid would look like in the future, including creating the expectation that Medicaid won't grow faster than the state budget, ensuring the state can afford Medicaid, tracking the health outcomes of people on Medicaid and creating a rainy day fund to handle the ebbs and flows in enrollment. This is the first step in the state being able to successfully plan for the future costs of Medicaid.

"The object of the game here from the state's standpoint would be to essentially have a known quantity for how much it's going to pay in the upcoming year for Medicaid beneficiaries," Fierberg said.