

# The Future of MassHealth: Five Priority Issues for the New Administration

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Massachusetts Medicaid Policy Institute  
Blue Cross Blue Shield of Massachusetts Foundation

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# About Manatt Health Solutions

The Manatt logo consists of the word "manatt" in a white, lowercase, sans-serif font, centered within a solid yellow rectangular box.

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Manatt Health Solutions (MHS) is the interdisciplinary health policy and business strategy advisory division of the law firm of Manatt, Phelps & Phillips, LLP.

As an integrated law and consulting firm, Manatt offers a unique combination of legal, policy, and operational expertise drawn from a team of attorneys, policy advisors, business strategists, project managers and financial analysts with extensive experience working with foundations, federal and state government, providers, health plans, and other industry leaders.

# Project Methodology

Over 40 interviews with state and national health care leaders and key MassHealth stakeholders



**Policy Experts** – current and former MassHealth program leaders, academic experts, and policy researchers



**Providers** - hospitals, physicians, community health centers, nursing facilities, home care agencies



**Business Community** - industry leaders with expertise in budgeting, taxes, and labor



**Health Plans** - managed care and behavioral health organizations, health plan associations



**Consumer Advocates** – including those representing enrollees with disabilities and behavioral health conditions



**Government Officials** - including current state and federal program leaders and state legislators

# Top 5 MassHealth Priority Issues



**Elevate and Consolidate MassHealth Leadership**



**Leverage MassHealth's Purchasing Power to Accelerate Delivery System Reform**



**Lead Behavioral Health Delivery and Payment Reform**



**Take on Comprehensive Long-term Care Reform**



**Invest in MassHealth Infrastructure**

# Elevate and Consolidate MassHealth Leadership

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*Set a clear vision and realistic priorities and empower MassHealth with the authority to execute and oversee the strategy*

- **MassHealth policy development and budget responsibilities are shared by the EOHHS Secretary, Medicaid Director and several EOHHS agency leaders**
- **This decentralized structure inhibits MassHealth’s ability to:**
  - Execute strategic direction
  - Recruit MassHealth talent
  - Develop trusting relationships with consumers, providers and health plans
  - Foster collaborative relationships with other state agencies
  - Strengthen understanding of and support for the program
  - Manage the entirety of the program’s budget

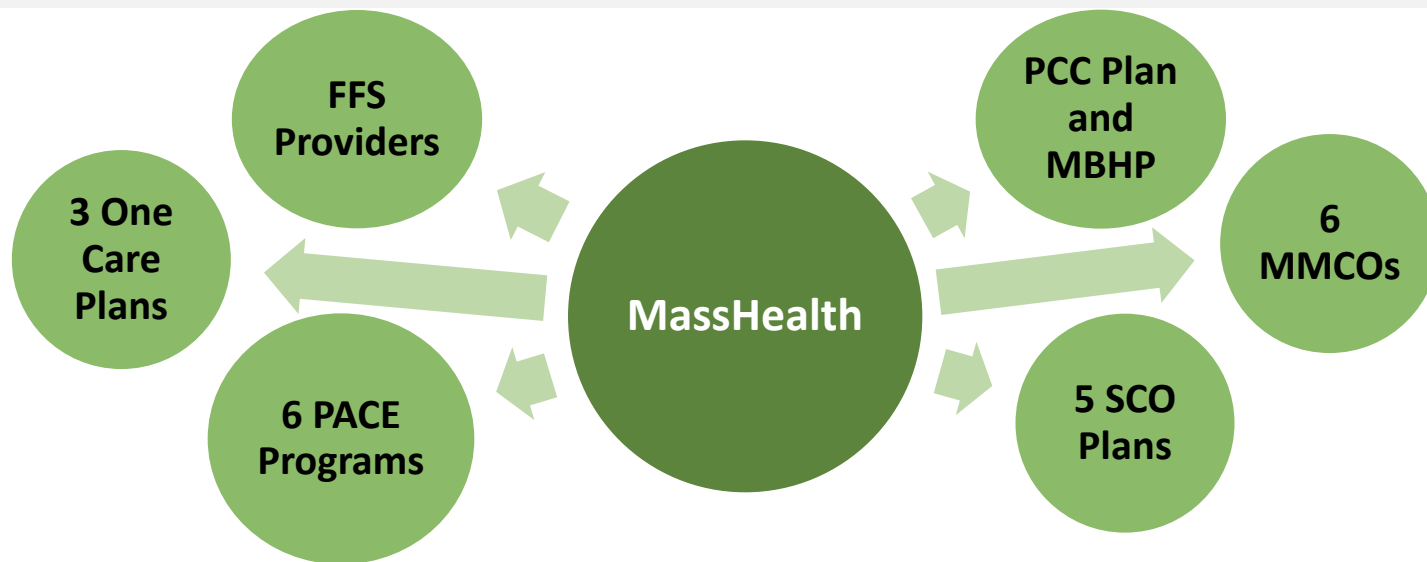
# MassHealth Structure: Options to Consider

- **Recruit a strong Medicaid Director who will make a first-term commitment**
- **Consider a new structure within EOHHS to give the Medicaid Director the authority and accountability to run the entire program. Options include:**
  - Transferring long term services and supports budget and program staff from Elder Affairs to Medicaid Director
  - Elevating Medicaid Director to Deputy Secretary or Assistant Secretary position
  - Reestablishing MassHealth under a single Commissioner-level EOHHS agency
- **Elevate Medicaid Director to Cabinet-level position reporting to Governor**

# Leverage MassHealth's Purchasing Power



*Leverage MassHealth's size and purchasing power through a cohesive strategy that pushes innovation to the provider level*



**Stakeholders argue that the current purchasing approach is too fragmented, resulting in:**

- Lack of cohesive strategy to ensure value
- Confusion for providers and patients
- Diluted program oversight and evaluation
- Slow adoption of alternative payment models

# MassHealth Purchasing Power: Options to Consider

- **Focus MassHealth's role on purchasing standards that promote program goals:**
  - Moving from inpatient acute to community based services
  - Implementing alternative payment models
  - Improving quality outcomes
  - Investing in primary care, community-based behavioral health and long term services and supports capacity
- **Contract with any organization that can deliver on these goals**
  - Could be through managed care organizations, Accountable Care Organizations (ACOs), or both
- **Hold contractors accountable through rigorous oversight and evaluation**



# Lead Behavioral Health Reform



*Address behavioral health delivery system issues related to capacity, access, funding and fragmentation*



**Gaps in community based behavioral health capacity**

**Lack of integration across physical and behavioral health services**



**Low payment rates**

# Behavioral Health Reform: Options to Consider

- **Invest in behavioral health care infrastructure**
  - Identify areas in which to expand access
  - Fund incentives for behavioral providers to participate in MassHealth
  - Increase payment rates for “high value” services
- **New purchasing approach to better integrate physical and behavioral health**
  - Could be through managed care organizations, Accountable Care Organizations (ACOs), or a combination
  - Build on the One Care model
- **Consult existing studies**
  - Mental Health Advisory Committee
  - Behavioral Health Integration Task Force

# Take On Comprehensive Long-term Care Reform



*MassHealth spending on long term services and supports (LTSS) could more than double without intervention to nearly \$8 billion in 2030*

Progress...

State has advanced  
"Community  
First" LTSS  
policy agenda

One Care  
program  
implemented  
in 2013

**...But, Massachusetts lacks a comprehensive LTSS care delivery and financing strategy**

Stakeholders concerns:

- Equitable access to community-based LTSS
- Future of nursing facilities
- Sustainable LTSS financing

# Long-term Care Reform: Options to Consider

- **Reexamine the 2009-2010 Long-term Care Financing Advisory Committee report**
- **Learn from One Care's stakeholder engagement and program development processes**
- **Develop targeted strategies to increase enrollment in the Senior Care Options (SCO) program**
- **Engage LTSS providers in discussions on:**
  - Sustainability of LTSS utilization and spending
  - LTSS quality improvement and cost-containment strategies
  - The future role of nursing facilities as care moves into the community
  - LTSS' role in broader MassHealth delivery system and payment reforms

# Invest in MassHealth Infrastructure



***MassHealth's infrastructure is insufficient to support program strategy, system evaluation, transformation and payment reform***



## **Staffing**

Financial, data analytics, operational, policy, program evaluation



## **IT & Data Analytics**

Program data for population health management, program design and oversight



## **Transparency**

Stakeholders request transparency and better access to timely data

# MassHealth Infrastructure: Options to Consider

- **Conduct an end-to-end review of MassHealth data analytics and IT capacity**
- **Enhance access to more robust MassHealth aggregate-level data**
- **Enhance data analytics capacity through partnerships with other state agencies, providers and external researchers with expertise**
- **Increase transparency and stakeholder access to program data**
- **Develop and publish annual MassHealth business plan**

**By addressing these priorities, the new Governor has the opportunity to:**

- Increase the effectiveness of MassHealth
- Ensure its ability to sustainably promote the health, well-being, independence and quality of life of its diverse members
- Position MassHealth as a major catalyst for transformation of the Commonwealth's health care delivery system
- Continue Massachusetts' legacy of national health care reform leadership by providing a model for Medicaid as a critical driver of delivery system and payment reform