

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

Massachusetts Medicaid Policy Institute
Blue Cross Blue Shield of Massachusetts Foundation

December 9, 2014

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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

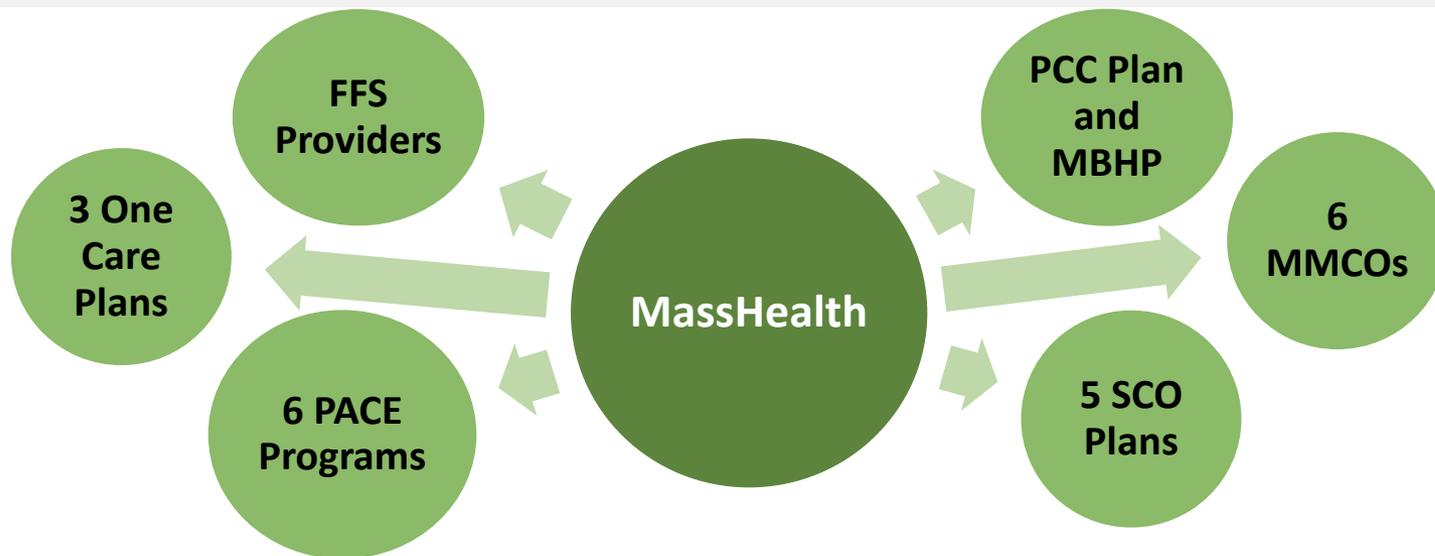
MassHealth Structure: Options to Consider

- **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