

Managing Medicaid the Right Way

HEALTH SYSTEMS SUPPLY COMPASSION AND EXPERTISE
IN CARING FOR VULNERABLE POPULATIONS



A Guide
for Group
or Personal
Reflection



A Passionate Voice for Compassionate Care®

This *Health Progress* Reflection Guide provides a deeper dive into the article, “Managing Medicaid the Right Way,” by Rhonda Medows, a physician who is executive vice president of population health at Providence St. Joseph Health. In it, she highlights the strategy Providence St. Joseph Health has for the Medicaid populations it serves, which includes sophisticated provider network development, value-based contracting and the use of advanced analytics, technology and utilization management systems.

The pages that follow offer a reflection process to engage leaders around the central theme of the article. The process is designed to be used flexibly by individuals or groups as a reflection, as part of personal formation and as an exercise between in-person sessions for participants in senior leader formation programs. We hope that it will be useful to executives, managers, clinical and non-clinical associates, board members, sponsors, ethics committee members and others.

Suggested Reflection Process

1. Begin your reflection with prayer – one is provided.
2. Read the Executive Summary of the article.
3. Review the Questions for Reflection, noting their concepts, but not answering them yet.
4. Read the full article.
5. Return to the Questions for Reflection:
 - A. Review the questions after reading the entire article.
 - B. Take time to consider each question, jotting down any responses, considerations or questions that come to you.
 - C. If you are completing this as an individual, consider taking time to discuss your responses with a colleague: get her or his thoughts on the questions; see if the person agrees with your thoughts or has different viewpoints to offer. If you are discussing as part of a group, take your written notes with you to the meeting. For group use, it could be helpful to assign the reading and then convene either by phone or in person for group discussion.
6. Close with prayer – a concluding reflection is provided.

As you use this guide, please let CHA know if it is useful in your ongoing formation, as well as any changes, suggestions or insights about it that you would like to share. It is a resource for the ministry, and we want it to best suit your needs. To share comments, please contact Mary Ann Steiner, editor, *Health Progress*, at masteiner@chausa.org.

Opening Prayer

Leader: The common good occurs when our society and the institutions we all depend upon work in a harmonious way that benefits all people.

Let us hear the word of God.

Reader: (Micah 4:1-4) A reading from the Book of Micah.

In days to come, the mount of the Lord's house shall be established higher than the mountains; it shall rise high above the hills, and peoples shall stream to it. Many nations shall come, and say, "Come, let us climb the mount of the Lord, to the house of the God of Jacob, that he may instruct us in his ways, that we may walk in his paths." For from Zion shall go forth instruction, and the word of the Lord from Jerusalem. He shall judge between many peoples and impose terms on strong and distant nations; they shall beat their swords into plowshares, and their spears into pruning hooks; one nation shall not raise the sword against another, nor shall they train for war again. For the Lord of hosts has spoken.

The Word of the Lord.

Response: Thanks be to God.

(Pause for silence)

Reader: (Romans 12:9-18) A reading from the letter of Paul to the Romans.

Let love be sincere; hate what is evil, hold on to what is good; love one another with mutual affection; anticipate one another in showing honor. Do not grow slack in zeal, be fervent in spirit, serve the Lord. Rejoice in hope, endure in affliction, persevere in prayer. Contribute to the needs of the holy ones, exercise hospitality. Bless those who persecute you, bless and do not curse them. Rejoice with those who rejoice, weep with those who weep. Have the same regard for one another; do not be haughty but associate with the lowly; do not be wise in your own estimation. Do not repay anyone evil for evil; be concerned for what is noble in the sight of all. If possible, on your part, live at peace with all.

The Word of the Lord.

Response: Thanks be to God.

Leader: Let us reflect on the obstacles that make our striving for the common good in our institution and in our society more difficult:

- The sort of individualism that values my individual freedom and personal rights over the needs of us all. (Pause)
- Those forms of pluralism that make it impossible for us to agree on the kind of society or institution we will all pitch in to support. (Pause)
- The unwillingness to sacrifice for others, especially the poor, the marginalized, and the vulnerable. (Pause)
- Forms of suspicion that break down solidarity and collaboration. (Pause)
- Wanting the benefits that the common good provides while refusing to do our part to support the common good. (Pause)

Leader: Let us remember that all are the beloved daughters and sons of the God who loves all his children and always desires what is good for them, as we pray the prayer that Jesus taught us:

All: (Lord's Prayer) Our Father ...

Leader: O God, you have given all people one common origin and you desire to gather them into one family for yourself. Fill our hearts with the fire of your love and kindle in us a desire to ensure the common good for all our sisters and brothers. By sharing with one another, may we secure justice for all people, an end to division and a society built on justice, love and peace. Through Christ our Lord. Amen.

Executive Summary

Providence St. Joseph Health has a strategy for the Medicaid populations it serves. The strategy includes participating in managed Medicaid in three ways: by operating as a provider-sponsored Medicaid managed care organization; by developing care improvement strategies in all of its regional delivery systems focused on management of complex patient populations and financial sustainability; and in serving as a population health management company that provides an array of services for Medicaid populations. These complex endeavors need to include sophisticated provider network development, value-based contracting, and the use of advanced analytics, technology and utilization management systems.

Providence St. Joseph Health is taking steps to manage care for Medicaid patients, including access to care in the appropriate venue; care management and coordination, including wrap-around services, discharge planning and follow-up in hospital and transitional care settings; recognition of the subsets of Medicaid populations and their specific needs; regular evaluations of strategy; and efforts to shape policy and funding as an advocacy voice for patients. The system is working to intervene early to address health risks and is forming partnerships to serve its patients, including Medicaid patients.

Questions for Reflection

Rhonda Medows, MD, is president of population health management at Providence St. Joseph Health and responsible for how the system is investing in managed care. She describes three ways that Providence St. Joseph participates in managed Medicaid care: they are themselves a provider-sponsored Medicaid managed care organization; they develop care-improvement strategies for managing complex patient populations throughout the region; and they serve as a population health management company that provides services for Medicaid populations throughout the system.

- 1) How is your ministry addressing the complexities of managed care, particularly with Medicaid populations? What improvements and successes are you seeing? Are you able to transfer any of the learnings from managing the care of your Medicaid populations to other populations you serve? What do you think are the most challenging aspects of managed care for vulnerable populations?
- 2) Medows makes the point that successful managed care often depends on dedicated partnerships. What are the logical partnerships for your ministry? Whose expertise and shared interests could strengthen your efforts? What are some surprising opportunities for partnerships that would expand your services to more vulnerable and harder to reach populations?
- 3) The early work of Catholic health care in the United States truly managed the care of individuals and populations long before “managed care” became big business. What is your ministry’s heritage in terms of managed care for vulnerable people? What are realistic opportunities to better manage care for populations at risk and individuals who need services in the future?

Managing Medicaid The Right Way

*Health Systems Supply Compassion and
Expertise in Caring for Vulnerable Populations*

RHONDA MEDOWS, MD

With about 73 million people — or 1 in 5 Americans — enrolled in Medicaid, effectively managing their health care seems an imperative for today's health systems. However, as more than 74 percent of Medicaid recipients are enrolled in Medicaid managed care health plans, for-profit insurers typically dominate this health insurance sector, sometimes gaining billion-dollar benefits for taking on the complexities of directing care for what is a growing, and often vulnerable, population.

As a Catholic ministry, Providence St. Joseph Health takes a different perspective. Rather than step aside to let others care for this population, we believe that faith-based systems must follow their mission, especially in service to vulnerable and poor populations. We have a specific strategy for the Medicaid populations we serve. It includes participating in managed Medicaid in three ways: as a provider-sponsored Medicaid managed care organization; by developing care-improvement strategies in all our regional delivery systems focused on management of complex patient populations and financial sustainability; and in serving as a population health management company that provides an array of services for Medicaid populations.

We participate in managed Medicaid where it is available in all our states, whether it is improving care covered by other Medicaid health plans or taking on Medicaid managed care coverage as we do in the state of Oregon. All these endeavors are complex, necessitating sophisticated provider

network development, value-based care contracting, and advanced analytics, technology and utilization management systems. Yet they can be done successfully, as evidenced by the outcomes achieved with our own managed Medicaid initiatives serving people across the Western United States.

We believe our heritage inspired us to take on this endeavor. More than a century ago, our founders were heaven-bent on funding new hospitals as centers of health care. In 1880, they introduced a new twist to their begging tours in the Pacific Northwest — as a nascent health maintenance organization was forming. Timber workers paid a nominal rate for all the health care they needed from hospitals operated by the sisters. I like to think this legacy of managed health care and services stays with us and reinforces our confidence in efficiently managing a population's well-being.

Of course, today's needs are greater, populations larger and risks more plentiful, particularly given legislative uncertainties that seem to

put government-sponsored programs perpetually in the crosshairs. To meet these needs, we developed a recipe for Medicaid managed care that is proving its mettle. Our “secret sauce” is a blend of experience in Medicaid operations, use of advanced analytics that inform our strategies, a commitment to innovation, solid partnerships and a unified vision of meeting the needs of those who often are overlooked.

A CHILDHOOD SAVED BY MEDICAID

For me, this is a personal as well as professional endeavor. Medicaid helped save my life early in my childhood. It also helped my family avoid financial ruin as I spent my youth in and out of hospitals and doctors’ offices that treated me for a host of chronic ailments, most associated with living in poverty and crowded housing. The experience inspired me to become a doctor, as well as a Medicaid champion. For families like mine, Medicaid was not a welfare program. It was a vital resource that kept us afloat during a time of need and maintained our dignity amidst a potentially ruinous series of health care crises.

When Providence St. Joseph Health began focusing on Medicaid managed care, I seized the opportunity to apply my personal passion and experience to this issue, establishing a team in 2015 that had significant Medicaid management experience. My background includes serving as the secretary for the Florida Agency for Health Care Administration and commissioner of the Georgia Department of Community Health, both of which included Medicaid in the portfolio of what was managed. My colleague leading the Providence Health Plan, Mike Cotton, is the former chief executive of Medicaid and Medicare managed care health plans. And our enterprise care management leader, Karen Boudreau, MD, was the chief medical officer for Boston Medicaid Health Plans and a Medicaid physician, to cite just a few of the experts we leveraged for this work.

However, years of collective experience are not the most essential ingredient to success with managed Medicaid. The linchpin is the ability to unite all entities from the payer and delivery system in addressing the needs of entire patient pop-

ulations — something that almost every health system can accomplish. Bringing everyone under the same tent with a common shared strategy is the critical first step in the process of better managing Medicaid populations.

Collaboration between the payer and delivery sides is foundational to the recipe for success.

Next, it is important for health care systems to step back and get a broader perspective of the Medicaid population.

TAKE A STEP BACK BEFORE MOVING FORWARD

Reviewing critical data helps in understanding the broad context of a managed care population’s greatest health needs. A good place to start is examining data from the electronic medical record, searching for hot zones that would benefit from better care coordination such as over-used emergency departments, spikes in diabetes-related conditions, mental illness and more. At our organization, we supplement the clinical data we study with medical claims, as well as pharmacy, emergency, hospital admission data and social histories, and a variety of data sets from ambulatory care and digital health services.

However, hospitals and physician offices do not capture all the information that is needed to bet-

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ter serve our complex patients. We go even further in our analysis, studying community health needs assessments down to the ZIP codes and other publicly available data across our service areas, layering this information into our own analyses to complete a fuller picture of health and social support needs. To assist us at Providence St. Joseph Health, we developed a predictive analysis tool we call Community Pathways to Health, which adds the

social determinants of health to our data platform and helps us make more complete and informed decisions.

Through extensive data analysis, we can identify the chain of concerns at the root of health problems — as when a patient comes to the emergency room with elevated blood pressure caused by an unhealthy diet, triggered by a lack of access to proper nutrition and exacerbated because she lacks transportation to get to a proper food market or to pick up her prescription medications. Understanding the full story, we can see the thread of problems that runs deep and the path to success that must be addressed both within and outside the hospital walls. Neither can be put off to tend to the other.

PATIENT MANAGEMENT IS A FOUNDATIONAL STRATEGY

In managing inpatient Medicaid, we must understand that many covered individuals have special needs; the program's eligibility rules explicitly extend coverage to people with disabilities of all ages, to fragile seniors and to patients with complex medical needs. Additionally, with the implementation of the Affordable Care Act, states have opened the program to newly eligible members whose health care needs often were ignored due to lack of coverage. And many individuals new to Medicaid have more than one illness, such as heart disease and diabetes or pulmonary disease, and sometimes they are combined with mental illness.

Working closely with clinicians, we defined six focus areas for successful Medicaid patient management:

■ **Access** — To better manage costs and sustain programs, patients must have access to care in the appropriate venue, whether it is a health system's own providers or a strategic community partner, such as federally qualified health clinics, public health programs or rural health clinics. Access also can be increased by expanding ambulatory sites and home health services, or through digital health solutions.

■ **Care management and coordination** — Managing complex populations is an “all in” proposition for health systems, which must be entirely supportive of implementing a compre-

hensive enterprisewide care management and coordination function that goes well beyond in-hospital work. Care managers should be able to coordinate with other clinical, home health and mental health providers, and connect patients to community-based social services.

■ **Hospital and transitional care** — Complex patients are not high risk for just a day. For most, their illness is progressive and requires a full com-

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plement of wraparound services. Coordinated and resourceful discharge planning between inpatient caregivers and outpatient care teams is vital. It often involves assigning patients care managers and bringing transitional care, skilled nursing facilities and rehabilitation programs into the care plan for longitudinal follow-up with patients and their families.

■ **Recognizing special populations** — There are many subsets of the Medicaid population, and we must focus on their specific needs, including effective mental health care and follow-up services for expectant mothers and their children.

■ **Strategy and evaluation** — Know that the Medicaid population and regulations for their care vary by state and are subject to change. Therefore, a Medicaid strategy must be regularly evaluated. Successes also should be shared as best practices. There is no competition here — Medicaid successes are everyone's gain.

■ **Policy and advocacy** — We are more than providers of Medicaid services; we are a voice for our patients. Health systems need to become very familiar with states' Medicaid agencies, actively shaping policy and funding. Moreover, it is up to us to improve internal stakeholder understanding of Medicaid's value as America's safety net, inviting caregivers to join in grassroots advocacy.

GO UPSTREAM WITH POPULATION HEALTH

Just as important as health care management for the patient is the complementary population health work that addresses the needs of those in our communities with Medicaid coverage. By pushing resources upstream, we can effectively address health risks, intervening early and preventing a new wave of chronic conditions. Ultimately, these anticipatory wellness endeavors and proactive community health investments should prove far less expensive than the toll of treating serious illness.

Study after study shows the dramatic impact that improving social factors has on health, not just in terms of opening access, but also in providing education that empowers people to understand more about their health risks. It is a mistake to discount the use of educational virtual tools simply because people may be struggling financially. The Medicaid population is more likely to have a smartphone than a landline — and some are even more likely to have a smartphone than a stable mailing address. At our organization, we developed a number of platforms and solutions that sync well with managed Medicaid: Circle, an app for new moms that provides advice from trusted clinicians; and Xealth, which permits health care teams to “prescribe” patients (via the electronic medical record) nonpharmaceutical digital tools, services and educational resources.

With each intervention into the community, we must remind ourselves that Medicaid patients are diverse. They are veterans, mothers, seniors, lower-wage workers and more than one-third of America’s children. Perceived obstacles, such as lack of access to technology, should be overcome with insights informed by data and enthusiasm for innovation.

PARTNERSHIPS WILL INFLUENCE SUCCESS

Finally, we must realize addressing Medicaid managed care is a big job that begs for more chefs in the kitchen. Providence St. Joseph Health is a \$23 billion organization by operating revenue, but we know we cannot attempt this issue on our own. We must identify key partners with complementary capacity, resources and areas of exper-

tise. Working together with like-minded partners enables us to improve the quality of care, increase access and ensure affordability.

We have successful partnerships that serve our Medicaid patients almost everywhere, with initiatives developing to fit the needs of each community. In Alaska, a city-sponsored taskforce that built 270 units for homeless individuals with multiple incarcerations helped lower unnecessary emergency department usage at the local hospital. Similar partnership activities to house the homeless are happening in Southern California, where Medicaid hospital utilization is also decreasing for our health system.

One partnership that bloomed into a system-wide endeavor is the working together of Providence St. Joseph Health with Catholic Charities

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USA. This joint effort is addressing the Medicaid issue across our system and stands out as a model for care. As we have witnessed, when a Catholic Charities homeless shelter moves an emergency room super-user into permanent supportive housing, utilization stabilizes and the health care picture becomes entirely different. Similarly, when the health provider works on treating someone’s cancer and Catholic Charities assists the family, everyone has a better chance of recovery — the impact of which can be felt for generations. These are the types of collaborations that bring about better individual results as well as positive societal outcomes.

OUR OUTCOMES ARE IMPRESSIVE

Reviewing our performance dashboards — an internal measurement system — Providence St. Joseph Health can attest that the work is proving its value. With our “secret sauce” for managing Medicaid, we have increased assistance to the Medicaid population overall, while significantly reducing our costs by providing care in the appro-

priate setting. In Oregon, where medical management for this complex population is jointly managed — with shared accountability and risk by Providence Health Plans and the Providence Oregon delivery system — Medicaid health plan enrollment spiked a remarkable 32 percent, and excellent outcomes for care and customer experience earned \$6 million in quality bonuses. (The state of Oregon’s Medicaid program pays these bonuses to meet quality measures.) Total revenues for our provider-sponsored, nonprofit Medicaid and dual eligible special needs health plans significantly exceeded budget, sustaining our continued investment in community-based resources, home health and digital innovation. And, as a health system, we have reduced our Medicaid uncompensated care costs from \$1.6

billion to \$1.1 billion over the course of the last year, all while exercising expert population health management and providing compassionate care.

I would like to think that the American health care system is turning the corner on Medicaid, recognizing that health is a human right. We share a responsibility to know these populations, care for them and ease their way to better health. We must continually improve the all-important recipe for managing Medicaid, acting upon our mission that calls us to reach out to those in need.

RHONDA MEDOWS, MD, is president, population health management at Providence St. Joseph Health based in Renton, Washington, and chief executive officer of Ayin Health Solutions.

QUESTIONS FOR DISCUSSION

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Closing Prayer

Call to Prayer

As the Catholic health ministry, we are called to continue Jesus' mission of love and healing today. In light of his special concern for people who are poor and marginalized we are compelled to act together outside of our walls. As our country makes decisions about programs for the poor and the underserved in need of health care, we pray in a special way for those who have access to health care services through Medicaid. Let us turn to the words of Scripture and tradition.

Reading One (From *Populorum Progressio*, 23, Saint Paul VI)

"He who has the goods of this world and sees his brother in need and closes his heart to him, how does the love of God abide in him? Everyone knows that the Fathers of the Church laid down the duty of the rich toward the poor in no uncertain terms. As St. Ambrose put it: 'You are not making a gift of what is yours to the poor man, but you are giving him back what is his. You have been appropriating things that are meant to be for the common use of everyone. The earth belongs to everyone, not to the rich.'"

Reading Two (James 2:15-17 NIV)

"Suppose a brother or a sister is without clothes and daily food. If one of you says to them, 'Go in peace; keep warm and well fed,' but does nothing about their physical needs, what good is it? In the same way, faith by itself, if it is not accompanied by action, is dead."

Intercessions

Rooted in Scripture and grounded in our tradition, let us pray together for all those who have access to health care services through Medicaid.

Please respond: **Loving God, hear us.**

For the elderly, that they may know comfort and care as they navigate complex and ongoing health care. We pray,

Loving God, hear us.

For people with disabilities, that they may receive the specialized care necessary for their unique needs. We pray,

Loving God, hear us.

For pregnant women, that they may have care that leads to healthy long-term outcomes for themselves and their children. We pray,

Loving God, hear us.

For children, that they receive reliable and consistent care to lay a foundation for healthy lives. We pray,

Loving God, hear us.

For those in crisis, that they have health care to support any unusual or unexpected needs. We pray,

Loving God, hear us.

Closing

God of all providence, as the Catholic health ministry, we carry out your mission of healing. We sit in gratitude for the grace and gifts you give us in our work. As we pray for those we serve, we ask you to move in the hearts of leaders and decision makers. Inspire them to make loving choices in favor of human dignity and the common good so all may have needed access to health care. Strengthen in us a commitment to those who are poor and a willingness to use our voices and our influence for their good. Amen.



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