Managing Medicaid The Right Way

Health Systems Supply Compassion and Expertise in Caring for Vulnerable Populations

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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 populations — 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 overused 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 better 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

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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.

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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 comprehensive 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 complement 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.

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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 expertise. 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 systemwide endeavor is the working together of Providence St. Joseph Health with Catholic Charities 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.

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QUESTIONS FOR DISCUSSION

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" was big business. What is your own ministry's heritage in terms of managed care for vulnerable people? What are realistic opportunities for better managing care for populations at risk and individuals who need services in the future?

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