

MEDICAID PAYMENT REFORM ADVOCACY PRINCIPLES

The Missouri Hospital Association recognizes that Medicaid payment reform, if done well, offers an opportunity to improve the quality, efficiency, capacity and value of care provided to Medicaid enrollees. There are ample prospects for improvement. Missouri should move away from payment systems based on obsolete data and uncertain projections. Instead, those systems should provide fair opportunity among hospitals to achieve equity of payment based on updated costs of care, efficiency, patient characteristics and patient outcomes. The initiative offers potential promise and peril for hospitals. MHA offers the following principles to maximize the former and minimize the latter.

ENSURING A HEALTHY MARKETPLACE

- Medicaid should remain a vital safety net that guarantees adequate and affordable health services.
- The objective of Medicaid payment reform is to enable effective and efficient care, not to reduce governmental payments.
- Enrollment and reverification processes should minimize barriers and delay.
- The expectations, incentives and metrics of Medicaid payment systems should be consistently applied to all insurers and providers serving the same populations of Medicaid enrollees.
- All Medicaid payment systems, including coordinated care, should provide fair and timely payment.
- Medicaid payment reform should be flexible enough to accommodate refinements without substantial investments in state or provider technology capacity.
- Medicaid payment reform should be implemented using an orderly transition that allows for adequate enrollee, provider and payer input and accommodates necessary changes in clinical standards, data analytics and billing practices.

INNOVATIVE PAYMENT REFORM

- Any Medicaid reimbursement program based on quality of care and efficiency should be developed collaboratively, involving all stakeholders. It also should recognize differences among hospital types, care settings and the patient populations they serve.
- Proposals should maximize federal matching fund opportunities.
- New delivery and payment models should be monitored and evaluated on an ongoing basis to determine whether they improve patient care and increase the value of health services.
- Delivery system and payment reform must encompass all providers and promote local community participation to support providers that serve specialized populations.
- Medicaid payment reform should allow shared savings and risk- and gain-sharing arrangements to align incentives for system improvement.

- Care management and utilization review standards should be standardized across plans, be fairly and transparently adjudicated and defined in collaboration with network providers.
- Medicaid payment reform concepts should be implemented on an incremental, transitional basis to assess their effect on cost, patient outcomes and administrative efficiency.
- In considering reform of Medicaid DSH payments, the financial and patient care implications of broadly or narrowly distributing such payments should be scrutinized.
- New payment models should consider adequate risk adjustment methodologies and incorporate social determinants of health.
- Reform should provide for a pluralistic approach to financing Medicaid, sharing the burden of provider taxes and general revenues.

ENSURING HIGH-QUALITY CARE

- Pay-for-performance and other quality improvement activities should be rooted in evidence-based research.
- Hospitals and clinicians should be involved in determining which evidence-based measures and/or risk adjustments are used in pay-for-performance or value-based payment methodologies.
- Medicaid payment reform should minimize the diversion of Medicaid funds away from patient care.
- Any revisions of the state-federal Medicaid partnership must recognize the need to maintain access for all of its citizens.
- Proposals must include appropriate state and federal standards to ensure adequate access to needed services in all delivery models.
- All Medicaid care coordination programs, including managed care, should be held accountable for adequacy and accurate directories of primary care and specialist networks.

PROVIDE FOR TRANSPARENCY AND DATA SHARING

- Medicaid payment reform should minimize administrative burden and promote transparency of funding, operations and outcomes.
- Medicaid payment reform methodologies should enable transparent and accurate projections of funding payment and the effect on value-based incentives.
- Program waste, fraud and abuse should be identified and eliminated.