



# 2014 Year in Review



MEDICAID HEALTH PLANS OF AMERICA

## Table of contents



### WHO IS GOING TO HELP? WE ARE. THE MEMBERS OF MHPA

#### 2 About Medicaid Health Plans of America

Who we are and what we do

#### 3 Welcome message

From MHPA Chair Kearline Jones, Health Partners Plans

#### 4 Medicaid expansion

Medicaid for more people who need it

#### 6 Specialty drugs

Are they cures if no one can afford them?

#### 8 MHPA state affairs

Medicaid – unique, state by state

#### 9 An ill-conceived tax

The Health Insurance Tax (HIT) hits Medicaid by \$38 billion

#### 10 Preterm births

Looking to the future...

#### 11 Dual eligibles

...And focused on the moment to moment

#### 12 mhpa2014

MHPA's annual conference highlights the Medicaid beneficiary

#### 14 Center of Best Practices

Recognizing innovation

#### 16 Medicaid grows up

The outlook for 2015

## About MHPA

Medicaid Health Plans of America (MHPA) is the leading trade association solely focused on representing the universe of Medicaid health plans. MHPA provides advocacy and research that support policy solutions to enhance the delivery of quality care to disadvantaged Americans. Formed in 1993 and incorporated in 1995, MHPA is a nonprofit, tax-exempt organization that works on behalf of 123 commercial and non-profit plans that serve over 20 million lives in 33 states and DC.

## Letter from the MHPA chair

**Kearline D. Jones, Health Partners Plans**



In 2014, CMS noted that Medicaid enrollment grew by 10 million lives. Additionally, the number on Medicaid fee-for-service actually decreased for the first time, dropping by 300,000 enrollees, according to “The Expanded State of Medicaid in the United States” by PwC.

The growth of our organization in scope and influence in 2014 reflected the increasing importance of Medicaid and managed care as a way to provide quality health care to our nation’s neediest while maintaining budget stability.

It was an incredibly exciting year for Medicaid and MHPA and we hope you’ll join us for next year and beyond as we forge ahead in our mission to ensuring access to quality care to those who need it most.

Sincerely,

A handwritten signature in black ink, appearing to read 'Kearline D. Jones', written over a faint background of the MHPA logo.

Kearline D. Jones  
Vice President, Government Relations and Compliance  
Health Partners Plans





## Are they cures if no one can afford them?

Breakthrough cures and new pharmaceutical therapies are finally giving hope to those who suffer from life threatening diseases. These innovations should be accessible to everyone who needs them, not just those at the top of the economic ladder. Unfortunately these new drugs are often so expensive, and needed by so many, that Medicaid programs are faced with hard choices to allocate scarce resources.

MHPA member plans strive every day to get the right drug to the right patient at the right time for the right price.

MHPA works to highlight to policymakers the effect drug pricing and access have on our nation's sickest and poorest.

### Beneficiary stats:

**45%** of Medicaid beneficiaries with disabilities are diagnosed with three or more chronic conditions.

Low-income adults report greater rates of cardiovascular disease, chronic respiratory disease, diabetes, and psychiatric illness than higher-income adults.

**10.4%** of adults under 65 on Medicaid skipped medicines to save money.







## Medicaid - unique, state by state

There has never been a more challenging time for state Medicaid programs. The decisions in 2014 of states interested in expanding Medicaid to all very low-income individuals drew intense debate and decision making around the approach of covering this new underserved population. MHPA's state level work included close tracking of these state activities, including a strategic advocacy effort in North Carolina to inform the states' decision makers of the value and cost savings of the managed care program compared to the state's current program, which has proved costly. States that have not chosen the cost predictability and quality health care delivery of the managed care model in their states have been faced with higher cost programs that demand cost-cutting measures in other sectors — k-12 education, transportation, and other important programs and services.

MHPA continues this advocacy into 2015 and is excited to see more states choosing the Medicaid managed care model.



“ Medicaid health plans and states need clear written direction from CMS that tells Medicaid agencies that the insurance tax and the income tax effect must be factored into the rate-setting process and covered in payments to plans.”

— Jeff Myers, President and CEO, MHPA



## An ill-conceived tax

The health insurance tax (HIT), a provision of the Affordable Care Act (ACA) to help fund health reform, will affect most those the ACA is trying to help: our nation's sickest and poorest populations. Over 10 years, it will burden states' already strained Medicaid budgets by \$13.6 billion and, due to the state-federal matching formula, the federal Medicaid program by about \$24 billion.

As a result of this drain of the Medicaid program, it may limit options for Medi-

caid beneficiaries via reduced access to services and benefits. Currently, 37 states and the District of Columbia use Medicaid health plans to provide capitated risk-based health coverage for poor children, pregnant women, the elderly, and the disabled, so the effects of this ill-conceived tax will be felt far and wide.

Unfortunately its repeal was not considered in 2014, but MHPA is hopeful that lawmakers will revisit this in 2015 given what's at stake for disadvantaged Americans.





...And focused on the moment to moment

More states are moving toward integrated, capitated risk plans for their aged and disabled populations. This will result in better care for those who are the frailest and sickest in our society. MHPA is at the forefront of advocating for policies that bring truly comprehensive care to those who need it most.



## Looking to the future...

Medicaid pays for more than half of all births in the United States, and nearly all of those are covered by capitated risk plans. Premature births in Medicaid threatens babies, mothers, and the taxpayers that fund this care. The member plans of MHPA are working to create new models to dramatically drive down early births. MHPA's Center for Best Practices, in conjunction with all of our plans providing care in Louisiana, issued a roundtable report on best practices to combat this epidemic.

### Dual-eligibles by the numbers



**45:** percent of dual eligible beneficiaries under age 65 and disabled

**\$16,460:** the average cost per dual eligible beneficiary

**9:** the number of states operating capitated financial alignment demonstrations, aka duals demos (CA, OH, TX, IL, VA, SC, MI, NY, MA)



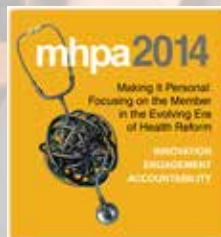
## MHPA's annual conference highlights the Medicaid beneficiary

*With the challenges of 2014 (health reform implementation, the health insurer tax, and high-cost specialty drugs, to name a few), we had to remind ourselves that the people we serve are our priority. At **mhpa2014**, we achieved this by focusing on the beneficiary.*

From the opening session to the closing remarks, we highlighted the work our members do to serve the poorest, sickest Americans. With INNOVATION, ENGAGEMENT and ACCOUNTABILITY tracks to focus the educational content,

we provided quality sessions on topics like maternal/child care, preventing obesity, engaging beneficiaries, and behavioral health. **mhpa2014** vendors also showcased their unique services that help better serve Medicaid beneficiaries.

At **mhpa2014**, we inspired attendees from across the Medicaid health plan industry and hope to do so again at **mhpa2015** where we will continue to be the go-to source for the latest in Medicaid managed care.



**mhp2014**  
Medicaid Health Plans of America



Our team of associates had a great experience and shared some great feedback regarding the content of the program and speakers.

– *John Stelmachowicz, Director of Strategic Alliances, AmeriHealth Caritas Family of Companies*

I connected with a vendor that is going to add a lot of value quickly. We're already drafting a contract.

– *Tommy Duncan, CEO, Trusted Health Plan*

We are looking forward to next year's event already!

– *Nancilee Pelletier, Director of Marketing, HFI Healthcare Financial*





## Recognizing innovation

A trade association should do more than just advocate; it should provide a forum to educate and to celebrate new innovations in care. The mission of MHPA's Center for Best Practices (CBP) is to demonstrate the

very best ideas on how to bring better care at less cost to those who need it most, and to serve as a platform to highlight key issues facing the Medicaid population.

In 2014, the CBP published its annual compendium with the help of independent reviewers whose deep expertise in health policy enabled them to evaluate a wide variety of efforts to change the paradigm of treatment.



MEDICAID HEALTH PLANS OF AMERICA

**MHPA**

CENTER FOR BEST PRACTICES

Research. Innovation. Education.



MHPA member plans don't just provide access to care. Best practice award winners have driven innovation in beneficiary contact, behavioral health management, and new approaches to socio-dynamic problems like homelessness and access to healthy foods.

## Medicaid grows up

Fifty years ago Title XIX was signed into law. Medicaid has transformed from its beginnings as a health coverage program for those on welfare into a public health insurance program for our low-income population, as well as the long-term care program for the elderly and individuals with disabilities.

That's not the only difference between today's Medicaid and the Medicaid of 1965. Since the introduction of managed care into Medicaid 37 years ago, states have transitioned from a disorganized, expensive fee-for-service system to an integrated, capitated risk model that now covers more than two thirds of the Medicaid population. As states struggle to provide quality care to those who need it most at a cost that is affordable to their taxpayers, the model represented by MHPA will continue to be the dominant design.

Because of this, our industry will play a bigger role than ever in the Medicaid story. From states considering expansion of their population coverage, to those integrating their duals programs, managed care is how care will be delivered.

In 2015, it is clear that Medicaid managed care is the way forward. MHPA will address the challenges and opportunities ahead to strengthen Medicaid for the next 50 years.



Sincerely,

A handwritten signature in blue ink, appearing to read 'Jeff M. Myers'.

Jeff M. Myers  
President and CEO  
Medicaid Health Plans of America







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