The Indiana Family and Social Services Administration

Observations on Medicaid Managed Care Contracting and Performance Oversight

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Medicaid Director
Adopt Optimal Program Policies

• Carved-In versus Carved-Out Services
  – Behavioral Health, Pharmacy, Dental, Transportation
• Comprehensive Services = Better Care Coordination, Health Outcomes, Consumer Simplification, Program Savings
• Actuarially Sound Principles
• Member Card Printing
• Program Integrity Incentives
• “Partnership” Philosophy
• Incentivize desired consumer behaviors
• Reward Innovation
Approaches to Oversight

• Understand what is in your contracts (and subcontracts)
• Ensure contract analysts understand their role
• Adopt a data driven approach
• Role of External Quality Review Organization
• Listen & respond to provider concerns
• Periodically review programs to see if they are achieving the desired results
Adopt Incentives to Reward Quality

- Pay for outcomes with quality withholds
- Auto assignment logic based on quality scores
- Require quality improvement projects
- Highlight “conditions of interest”
- Encouraging innovation
Proposed Medicaid Managed Care Regulations

Violates federalism and the traditional federal-state relationship

- Ex: 14 day waiting period for plan assignment if no MCO selection
- Will require significantly more state staff and resources
- Unfunded mandate
"A raise might destroy their initiative. The good old carrot and stick bonus keeps them focused."