The Multiple Roles of Medicaid
...and the Administrative Capacity to Support Them
Medicaid Program Administration

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Policy review

Focus group and interviews with State Medicaid Directors

http://kff.org/medicaid/report/managing-a-high-performing-medicaid-program/
Key Medicaid Roles

**Public Servant**
- Steward of public dollars, protector of vulnerable populations, promoter of health, and safety net for Safety Net Providers

**Public Agent**
- Accountable to federal government, governor, legislature, and courts

**Banker**
- Doorway to federal dollars for other state agencies and community providers

**Leader & Innovator**
- Value-based purchaser, system integrator, delivery system reformer, convener

**Health Plan**
- Benefit design, beneficiary enrollment, provider payment, quality and performance management
### Innovation & Leadership

<table>
<thead>
<tr>
<th>Initiative</th>
<th>In Place in FY 2013</th>
<th>New/Expanded in FY 2014</th>
<th>New/Expanded in 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>PCMH</td>
<td>24</td>
<td>17</td>
<td>20</td>
</tr>
<tr>
<td>ACA Health Homes</td>
<td>12</td>
<td>14</td>
<td>14</td>
</tr>
<tr>
<td>ACO Initiative</td>
<td>5</td>
<td>6</td>
<td>10</td>
</tr>
<tr>
<td>Dual Eligible Initiative</td>
<td>5</td>
<td>10</td>
<td>19</td>
</tr>
<tr>
<td>Any Delivery System Initiatives</td>
<td>31</td>
<td>30</td>
<td>40</td>
</tr>
</tbody>
</table>

Workforce

Quality
- Mission Driven
- Attracted by Innovation Opportunities

Gaps
- The Basics: Medicaid Policy & Data Analytics
- Active Purchaser: High Level Analytic, Financial & Clinical Expertise

Turnover
- Baby Boomer retirements
- Competition with High-Paying Private Sector
Few if any constituencies advocate for increased investment in Medicaid administrative capacity.

$1 cut in state funding = $2 cut in total funding for Medicaid program administration.
58% of 298 state and local governments continue to operate with a smaller workforce than they had before the 2008 economic downturn.

Medicaid answers to multiple masters and stakeholders

- Shifting directions with changes in leadership
- Cumbersome decision making processes

Decision Making
Demands

- Leading
- Overseeing
- Negotiating
- Collaborating
- Communicating

- Planning
- Integrating
- Answering To
- Problem Solving
- Running Interference
How to Stifle Creativity

1. Take away all discretion & autonomy
2. Create fragmented work schedules
3. Create tight timelines and rigid processes
4. Provide insufficient resources
5. Focus on short-term goals
6. Discourage collaboration & coordination
7. Keep people happy with the status quo

## Misplaced Priorities?

<table>
<thead>
<tr>
<th>Investment</th>
<th>Program Administration</th>
<th>Program Integrity</th>
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</thead>
<tbody>
<tr>
<td>Strategy</td>
<td>Upstream Prevention</td>
<td>Downstream Intervention</td>
</tr>
<tr>
<td>Workforce</td>
<td>50/50 match</td>
<td>90/10 match</td>
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<tr>
<td>Federal Sponsored Training Programs</td>
<td>None</td>
<td>Medicaid Integrity Institute</td>
</tr>
</tbody>
</table>
OIG Findings

Single State Agency Errors

- $160 million (32 percent of all recommended federal refunds)
- Did not follow own procedures to ensure proper claiming, did not adequately monitor risk-sharing mechanisms in MCO contracts, misinterpreted federal guidelines, issued incorrect guidance to providers, etc.

Sister Agency Errors

- $213 million (48 percent of all recommended federal refunds)
- Failed to adequately monitor, failed to recoup overpayments, insufficient controls to prevent claiming for unallowable costs, etc.
Build In-House Capacity?

- Does Civil Service Code limit ability to offer competitive salary?
- Is there a hiring freeze?
- Is it a mature program?
- 50/50 match

Buy Outside Expertise?

- How burdensome is the procurement process?
- Can you amend the contract or do you have to go out to bid again?
- Is the program still in early stages of development?
- FMAP for MCO administrative costs?
State and University Partnerships

Build data analytic and public administration capacity, and Medicaid expertise

Support data analytics, program design and evaluation, policy research

State and Federal Partnership?

Develop accreditation standards and financial incentives for adherence?

Increase match for Medicaid administrative capacity?

Develop Medicaid workforce training program
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