



## Practicing Good Public Administration During Challenging Times

The public health emergency centered much discussion around access to care and preventing disease spread through mitigations such as vaccine distribution – all challenging for Medicaid agencies. Equally challenging is how to address budget deficits, economic softening and forecasting associated with an eventual unwinding of the public health emergence. These are complex leadership challenges for state leadership.

What follows is a portion of a larger interview with **Tom Betlach**, former Arizona Medicaid Director, and **Jim Jones**, former Medicaid Director at the Wisconsin Department of Health Services. They share experience and tactics used to lead public agencies through economic recessions.

*Edited for clarity*

**Q: How have you managed resources during hard budget years, but still delivered outcomes in a way that doesn't exacerbate disparities for your members?**

**Betlach:** I served as Medicaid director during the Great Recession, and Arizona was actually the hardest hit state when looking at the overall general fund impact and the types of decisions that needed to be made. It was an incredibly difficult time on the team. We talked a lot about wanting to preserve the core of the [Medicaid] program — the core coverage, the core level of services, and core payments to the greatest extent possible — but we knew we had to make tough decisions. We looked at resource allocation, the data, and information from the team, and were able to share that in a meaningful and transparent way with stakeholders. Not only was it making the decisions, but also understanding the context of what could get done and how quickly it needed to get done, because time was of the essence in terms of being able to generate savings. The longer you wait to generate savings, the more you have to cut.

**Jones:** When I was the Deputy Medicaid Director in Wisconsin in 2007, we had a large surge in unemployment and people losing health insurance, coupled with a structural deficit and loss of state revenue. The legislature asked the Department to come up with a plan to save \$600 million with unspecified changes. Our team needed to figure out how we could save this amount by administering our program more efficiently and effectively. We launched a Medicaid redesign effort that included meeting with every provider, advocacy, and stakeholder group. Our message: *We don't want to cut benefits, because we don't think that's a very effective way to do this; we don't want to cut rates because we don't want to affect access; and we definitely don't want to cut eligibility.* We asked the stakeholders to brainstorm ideas with us for what we could do. What we found together was that there were efficiencies that we could implement to hit those targets. Bad fiscal times do sometimes lead to better policy.

**Q: What lessons have you learned about how to engage stakeholders in a way that produces buy in?**

**Jones:** The number one thing is to make sure there's education going both ways; we need to learn from stakeholders and understand what they're facing. The Medicaid program needs to be

honest with them and share the barriers and issues that we face to reach these targets. Sometimes those are internal issues, sometimes there are political issues that need to be negotiated, and sometimes there are logistical issues.

**Betlach:** When I look back [on the Great Recession], we could have gone one way and just made our decisions and moved on without communicating much with stakeholders. But that would not have served us well in going forward as an organization. It would not have built support for the program. We felt it was important to get out early, often, and share as much information as possible. You have to remember that in the recession providers are trying to stay in business. They're trying to manage a larger book of business that Medicaid's just a piece of. We felt it was critical to be able to provide information and context in terms of why we were taking the actions that we did.

**Q: For someone who is new to public leadership, what tips would you give around successfully managing transformational change?**

**Jones:** While you have to know what your limits are and how much change you can make at a time, having a vision of the future, making it aspirational, and being able to tell that story and generate energy is a big part of leading change. It's important to know where you're going and describe a strategy for how you're going to get there. Getting internal buy-in into your strategic vision is hugely important.

**Betlach:** Another thing I would add that we really haven't touched on: I found it to be incredibly helpful along the way to have good mentors. I look back at my career and I had half a dozen people meaningfully impact my trajectory as a professional and as a leader. Those people were incredibly important. They were open with their time. They were always willing to answer any question I had, no matter how often I bugged them. I think we should always be encouraging people to find individuals who are willing to mentor them.

This interview is a portion of a larger conversation found in an [accompanying podcast](#), available in the [Apple Podcast store](#).

Topics discussed in this article align with [Framework for Public Sector Leadership](#) domain, Practicing Good Public Administration domain. Core competencies in this domain include: business acumen; managing change; managing resources; effective decision making; and engaging diverse stakeholders.

The framework is product of the Public Sector Leadership Consortium whose partners, NAMD, the [Center for Health Care Strategies](#) and the [Milbank Memorial Fund](#), work to strengthen the capacity of public sector leaders, particularly those in state government.