



July 8, 2020

The Honorable Alex Azar
Secretary
U.S. Department of Health and Human Services
200 Independence Avenue
Washington, DC 20201

Dear Secretary Azar,

On behalf of the nation's Medicaid Directors, NAMD is pleased to offer comments in response to the Department's Request for Information on improving the resiliency of the nation's health care system. The importance of these issues will require sustained and collaborative work for years going forward, and we encourage HHS to facilitate future opportunities for state engagement in a post-COVID environment. State bandwidth is understandably focused on continuing to manage COVID response, and thus NAMD's comments here are limited. We offer principles to guide future discussions on building and measuring resiliency in the health care system, with the hope that we may offer more substantive dialogue at a future time. These guiding principles include:

- Centering on individuals and their experiences with health care,
- Stronger alignment across payers, and
- Enhanced partnership between federal and state health system entities to advance system-wide goals.

NAMD is a bipartisan, nonprofit association representing the Medicaid Directors leading programs across the 50 states, the District of Columbia, and the five U.S. territories. The Medicaid program is a critical component of the health care system, providing access to services and supports for over 72 million Americans, many of whom are the most vulnerable populations in the country. These include pregnant women and children, individuals living with physical, intellectual, or developmental disabilities, and individuals in need of substance use disorder treatment.

The onset of the COVID-19 pandemic and its strain on the health care system brings to light many important questions about the ability of the health care system to respond to emergency situations. As noted above, NAMD welcomes sustained conversations across all stakeholders to understand the areas of strains and identify a path forward for strengthening future responses to emergencies and pandemics.

We anticipate such conversations will span months and years. As we embark on this journey, an articulation of principles to guide this work will be an important first step. NAMD offers the following:

- **A System Centered on Lived Experience:** The health care system is complex, with differing pathways to coverage, benefit structures, provider networks, and many other elements. Policy decisions are often made at the systemic level to smooth interactions between various payers and providers. The perspective of the individuals seeking care and how they interact with the

system is too often lost in these complex policy debates. Some steps have been taken to address these issues, such “no wrong door” approaches to accessing coverage, but selecting the best options available can itself be an overwhelming task. The end result is too often individuals and their care givers struggling to navigate several barriers to piece together necessary coverage and services.

A resilient health care system must be a system that is structured at its core to meet the needs of the individuals it serves. These needs are often not limited only to health care services – access to stable housing, nutrition, and positive social interactions are also critical factors in positive health outcomes for individuals. Addressing the social determinants of health in actionable and sustainable ways will require innovative approaches in the health care system, including pursuit of value-based payment and delivery system reforms that incentivize cross-sector collaboration.

Further, the disparities in COVID-19 outcomes along racial and ethnic lines underscore long-standing disparities throughout the health care system. Fresh eyes and new sources of data must be brought to bear to address this entrenched challenge and ensure a system that promotes health equity.

- **Stronger Alignment Across Payers:** Achieving a truly person-centered health system is an ambitious goal that cannot be achieved by any one entity acting independently. There must be strong alignment in goals and approaches across health care sectors, particularly public and private payers. Currently, alignment in payment reform initiatives is somewhat piecemeal, with significant segments of payer portfolios independent of each other. This can result in health care providers needing to meet the specific requests of each payer they contract with, at times pulling the provider in different or even competing directions.

Some level of variation is expected and will remain necessary going forward. Medicaid programs, for example, will often have specific areas of focus in their state or regional populations that may merit bespoke measurements not reflected in measure sets that are more readily applicable across payers. However, this necessary variation should not serve as an excuse to sidestep the difficult, detailed work to advance alignment where possible.

- **Enhancing Meaningful Partnership Between States and the Federal Government:** As a corollary to the need for alignment across payers, there is a need for more meaningful and engaged interactions between state and federal health systems. While Medicaid is uniquely positioned as a joint financier and administrator of the program, closer state and federal collaboration would benefit a variety of programs impacting health outcomes. The goal should be a durable partnership that is respectful of oversight and regulatory obligations without inhibiting a meaningful exchange of perspectives, knowledge, and expertise.

Reinvigorated partnerships should prioritize issues that are most critical to the long-term sustainability of the health care system. Examples of these from the Medicaid perspective include:

- Ameliorating the strains on the long-term care system, including the role of home- and community-based services versus institutional care,
- Exploring options to alleviate counter-cyclical funding challenges, when program needs are most acute as resources become scarce, and
- Addressing the aforementioned social determinants of health through value-based purchasing and delivery system reforms.

Lastly, meaningful partnership requires acknowledging previous policies that have unintended consequences for developing a resilient, person-centered health care system. An example is the difficult rollout of electronic health records and how they have been incorporated into care delivery, resulting in perceptions of less personal care without yet achieving the potential of integrated data sets to improve efficiency and health outcomes. Another example is the financing challenges for states to make Medicaid investments in improving care for dually eligible Medicare-Medicaid members, where often state expenditures result in federal savings with little return for the state.

We raise these issues in the spirit of collaboration, in the hope that they and others like them may be addressed in ongoing conversations with our federal partners.

We appreciate your consideration of these principles. NAMD and our members look forward to continuing dialogue on how to improve the resiliency of the nation's health care system.

Sincerely,

A handwritten signature in black ink, appearing to read "Matt Salo". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Matt Salo
Executive Director
NAMD