

# Medicaid Managed Care

## 2019 snapshot of business priorities

**Medicaid managed care (MMC)** is the privately administered government safety-net insurance plan for low-income Americans meeting specific criteria. Medicaid is largely managed by states, but they receive significant funding and oversight from the federal government. Most states delegate Medicaid insurance responsibilities to plans, called Medicaid managed care organizations (MCOs). This snapshot provides a glimpse at the Medicaid managed care industry's **key strategic trends** and **frequently asked questions** in 2019.

### What is top of mind for Medicaid Managed Care CXOs?

- Sufficient access to care
- Payment and eligibility experiments
- Social determinants of health

### DATA SPOTLIGHT

#### How is Medicaid spending distributed?

**82%**

Of enrollees receive their Medicaid benefit coverage from managed care entities, 2019

**7M**

New members have enrolled through Medicaid expansion under the Affordable Care Act, 2019

**45%**

Of total Medicaid benefit spending was in long term services and supports (LTSS), 2017

### STRATEGIC TRENDS

#### What are current challenges for Medicaid MCOs?



##### States are pursuing experimental waivers

- Waivers allow states to customize programs and modify who can participate
- Examples of customizations include social determinants of health funding or work requirements for eligibility



##### Medicaid members have comparatively limited access

- While Medicaid coverage has expanded, the number of providers willing to accept Medicaid has not
- Provider payments are often low and delays and complexities in payment are common



##### Unaddressed socioeconomic and behavioral health needs are common

- Plans struggle to engage members with more adverse socioeconomic or behavioral health issues
- These unaddressed needs often correlate with higher, inefficient medical spending

Source: "List of Medicaid Benefits", CMS, 2017, <https://www.medicaid.gov/medicaid/benefits/list-of-benefits/index.html>; "Total Medicaid Managed Care Enrollment", Kaiser Family Foundation, <https://www.kff.org/medicaid/state-indicator/total-medicaid-mc-enrollment/?currentTimeframe=0&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>; Health Plan Advisory Council research and insights.

# What are health care professionals asking about Medicaid Managed Care?

## Top 5 FAQs in 2019

### 1. Who gets access to Medicaid?

Medicaid eligibility is generally determined by income along with other factors like disability and family status. Expanded Medicaid extends eligibility to all individuals with incomes below 138% of the poverty line—regardless of their status in the other categories. The Affordable Care Act gave states the option to expand Medicaid coverage.

### 2. How are dual-eligible (Medicare and Medicaid) members managed?

Dual eligible members are managed through plans called Dual Eligible Special Needs Plans or D-SNPs. There are five different types of D-SNPs, and the type of plan a dual-eligible beneficiary can enroll in depends on the category of Medicaid that they fall in. Dual eligible enrollees with Medicaid and Medicare will often be enrolled in a Medicare Savings Program such as Qualified Medicare Beneficiary (QMB) or Specified Low-Income Medicare Beneficiary (SLMB).

### 3. What is the current state of Medicaid Expansion and how are states who did and didn't faring?

Currently, 37 states (including DC) have chosen to expand Medicaid. The Kaiser Family Foundation has released a [report](#) showing expansion is linked to gains in coverage, improvements in access, financial security, and economic benefits for states and providers.

### 4. What are block grants, how do they work and what incentivizes a state to obtain one?

Medicaid Block grants are a set amount of money that a state receives for spending in advance. Proponents of block grant funding believe that it provides an efficient means for states to receive funds and allocate it according to their needs. Critics are concerned that this will ultimately reduce funding to the states and shift the growing cost of healthcare onto taxpayers.

### 5. What would “Medicare for All” mean for Medicaid?

New health reform aims to extend coverage to all Americans, virtually eliminating the need for a safety net program like Medicaid. Some iterations for 2020 “Medicare for All” plans currently keep institutional long-term care in Medicaid, but move the acute portion to Medicare-for-all. Alternative plans add long-term care to Medicare and eliminates Medicaid entirely.

## FOR MORE RESOURCES

Additional web conferences and materials can be found at [advisory.com](https://www.advisory.com). If you have any questions, would like to discuss the content further with our researchers, or are interested in learning how you can share this content with your larger teams, please reach out to your organization's Dedicated Advisor.

Source: “The effects of Medicaid expansion under the ACA: updated findings from a literature review”, Kaiser Family Foundation, August 2019. <https://www.kff.org/medicaid/issue-brief/the-effects-of-medicaid-expansion-under-the-aca-updated-findings-from-a-literature-review-august-2019/>; Health Plan Advisory Council research and insights.

This document does not constitute professional legal advice. Advisory Board does not endorse any companies, organizations or their products as identified or mentioned herein. Advisory Board strongly recommends consulting legal counsel before implementing any practices contained in this document or making any decisions regarding suppliers and providers.