Top Ten Threats to Medicaid Directors’ Mental Health

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A Trinity of Headaches

• “Tribal” Issues
• The Promise of The ACA and the Reality of State Budgets
• Red Tape, Bureaucratic Silos and Red Herrings
Number Ten – Unnecessary Distractions

• CMS letter to WA
• County-based Regional Support Networks (RSNs) approved by feds in 1993 and renewed 8 times
• Fix = No at-risk contracts or re-procure
  – No risk removes incentive for managed care approach
  – Huge (p)olitical battle at the state level
  – Focus should be on better integration not procurement process
Number Nine – IMD Exclusion

• Pilots are a good start but need to be more robust
• Current incentives are to create inefficient 16-bed units to get around rules
• Real problem is the loss of psych beds in community hospitals
Number Eight – Evidence-Based

- If only there were more of it
- Little coordination between CMS and SAMHSA
- No codes
Number Seven – Fraud Waste and Abuse

- New payment methods will be necessary...and will confound auditors used to traditional FFS
- Day habilitation, Transportation, Managed Care
- New Mexico
Number Six – Cost Savings

• What’s the baseline?
• How to track a volatile population?
• In state budgeting ROI is calculated within two years
Number Five – Silos, Tribes and Money
Follows the Provider

• Three states, Eight different agencies
• Culture clash
  – Bean counters versus advocates
  – Medical model versus Recovery model
• The status quo is unacceptable until you recommend changing it (savings are only embraced in the abstract)
Number Four – Managed Care Integration

- To Carve-out or not to carve out?
- How will traditional MCOs get the experience they need?
- How will states know success when they see it?
Number Three - Parity

• States can argue they have established it
• Beneficiaries will say all they got was a “hunting license”
• Access to providers will be crucial but who will judge the adequacy?
Number Two - Drugs

• OBRA 90
• Too many cooks/kitchens
• Compliance
DRUM ROLL, PLEASE
Number One – Housing, Housing, Housing

• It’s the biggest determinant
  - Compliance with medication
  - Employment
  - Reduced inpatient and emergency room use

• State hospitals used to do it well

• Medicaid can’t pay for it
Words to Live By

• Chaos is a friend of mine
  - Bob Dylan
Questions? (Thank you)

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