



Testimony of

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Before the

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and Commerce; Subcommittee on Health

on

“Examining the Advancing Care for Exceptional Kids Act”

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Chairman Upton and Ranking Member Pallone:

My name is Matt Salo, and I am the Executive Director of the National Association of Medicaid Directors (NAMD). Thank you for the opportunity today to testify about helping state Medicaid programs improve the health care delivery system for medically complex children. We appreciate your leadership and hard work to improve the quality of care available for the low-income, vulnerable children and their families who rely on Medicaid.

On behalf of the nation's state Medicaid Directors, we support the three primary goals of H.R. 546, the Advancing Care for Exceptional Kids Act of 2015: to improve coordination of care for children; to address problems with fragmented or uncoordinated care for children, especially challenges accessing care across state lines; and gathering data on conditions to help researchers improve services and treatments for children with complex medical conditions who are covered by Medicaid.

NAMD

NAMD is a bi-partisan, non-profit association representing Medicaid Directors in all 50 states, the District of Columbia, and the territories. Our members drive major innovations in health care while overseeing Medicaid, the nation's predominant health care safety net program, which covers more than 72 million Americans. State Medicaid programs, together with the Children's Health Insurance Program (CHIP), serve more than 1 in 3 children in the United States. Federal statute requires that states provide comprehensive

services and furnish all Medicaid coverable, appropriate, and medically necessary services needed to correct and ameliorate health conditions, based on certain federal guidelines.

Medicaid Reform Background

Medicaid programs across the country vary considerably in many ways, ranging from eligibility policy to the take up of optional benefits, payment policies, and service delivery structure. Despite these differences, Medicaid Directors are deeply committed to improving the quality and efficiency of services as well as the overall patient experience for all beneficiaries, especially those with medically complex conditions. Every state in the country is aggressively working to redesign the fragmented delivery silos and reorient misplaced financial incentives that have challenged the US health care system for many years.

These efforts take many forms, including better aligning Medicare and Medicaid for those eligible for both programs, integrating behavioral health services into the overall health care delivery system, and creating patient centered medical homes for a variety of special needs populations. There are many parallel efforts to move Medicaid towards paying more for value than for volume. These can be done through traditional managed care approaches, through Accountable Care Organizations, and even in traditional fee for service models that allow for shared savings.

Each of these efforts is undertaken with close partnership with key stakeholders, including providers, patients and their family members and/or caregivers, and of course the Center for Medicaid and CHIP Services (CMCS). It is important to note that these efforts must

take into close consideration the health care landscape in each state, in order to maximize effective implementation.

NAMD Support for Improved Care for Children with Medically Complex Conditions

NAMD members support the overarching intentions and specific policy recommendations of the newly revised and improved ACE Kids bill, which is aimed at improving the quality of care and care coordination for children with medically complex conditions. These children represent some of the most vulnerable Medicaid beneficiaries, and Medicaid programs across the country have been and continue to be developing programs and strategies to optimally address their needs. We understand that the legislative proposal is only the beginning of this important conversation, and remain eager to work with you and other key stakeholders to continue to improve the legislation and to address the challenges that states are facing in their current efforts to improve the care experience for these children and their families.

The key to the long term success of many of the Medicaid delivery system and payment reforms that are underway is to ensure broad alignment of purpose, organization and implementation. The core components of the failed system we are moving away from include fragmentation, delivery silos, and financial incentives that don't reward improved outcomes. While the patient populations we serve may look very different from one another, it is critical to the long term viability of our broad reform efforts that we avoid defaulting back into fragmentation or setting up new silos that inhibit integrated care.

ACE Kids

The newly revised legislation contains three main components, a Medicaid health home option for children with medically complex conditions; promulgation of best practices and lessons learned; and more research into the health care needs of and how the health care system is currently working for these vulnerable populations.

Health Homes

Similar to an approach in the President's budget, but more targeted at children with exceptional needs, the idea of an option for states to develop health homes for this population is a logical and sensible step in our efforts to improve care coordination and service integration for this population. The health home process is known to states and increasingly understood and appreciated by providers and other stakeholders. A new option of this type could empower states to improve the investment in the infrastructure that supports children with medically complex conditions in ways that parallel similar efforts for other populations and contribute to the broader efforts to reform the entire health care system.

We wanted to also acknowledge the question about assigning a higher federal match rate for the development of these health homes. It is clearly an important incentive for states looking to embrace the option, and would contribute significantly towards increasing the ability of states to build the infrastructure needed.

Best Practices

One of the key functions of our organization is the focus on sharing lessons learned and successful practices among our members. No idea or proposal can carry the same weight as one that has actually succeeded in a Medicaid context. While the solutions that work in a New York or a Texas may not seem to hold much relevance for a Vermont or an Idaho, the unique structure and requirements of Medicaid are so critical to success that the currency of successful innovations is significant.

We stand ready to work with our federal partners at CMCS to help identify and promote best practices in this area, and assist states in helping to improve the health care system so that it is more responsive to the needs of children with medically complex conditions.

MACPAC

Despite the work currently underway in many states, there are clearly many hurdles that still stand in the way. There can be a role for MACPAC to provide additional research on a wide variety of issues related to the care for this population. We would argue that this could also include more about health outcomes, access to care (particularly in out-of-state hospitals); quality of care, and patient/family satisfaction; so that future efforts can be informed by identifying problems in the delivery system.

We believe there can be value in the idea of a “Center of Excellence” designation as a way to help states figure out which out-of-state entities to contract with for particular services, and to encourage some price competition between hospitals for Medicaid services. This effort might also facilitate improved quality measurement and reporting. We hope that this is an idea that MACPAC or other entities can explore.

Conclusion

Thank you again for the opportunity to testify and for your leadership in this vital area. NAMD supports the three primary goals of H.R. 546, the Advancing Care for Exceptional Kids Act of 2015: to improve coordination of care for children; to address problems with fragmented or uncoordinated care for children, especially challenges accessing care across state lines; and gathering data on conditions to help researchers improve services and treatments for children with complex medical conditions who are covered by Medicaid.

Our members are committed to helping inform your efforts ensure the proposals achieve these goals within the context of running effective and efficient state Medicaid programs.