Medicaid Redesign

Nov. 14, 2014

My Approach

- First, create a system that provides more access and better outcomes at reduced costs.
- Then, secondarily, see if it fits within federal and state law.

#1 Priority

- To improve outcomes and increase access
- is to invest more $$$ in primary care
- A law that prohibits us from taking common sense, economical, compassionate steps is a corrupt law and needs to be changed.
- The top-down approach suggested by this committee will fall short of its goals of reducing costs – because there is no empowerment of the docs and patients with choices and resources

Medicaid Expansion

- Will not improve access – fewer docs taking Medicaid patients
- Underpays providers – form of slavery
- Codifies the states junior position to the federal government
- Based upon eternal deficit spending
- Short-term solution, at best

Need another choice

- Maintains state sovereignty
- Stable economic base
- Empowers docs and patients
- Opens door to reduce costs by 50%
- And, eventual phase out of Medicaid

Process

- Eliminate county indigent fund
- Eliminate CAT fund - $40 million
- Buy 66,000 DPC memberships for the expansion population

First Step

- Create a pilot program this year for 1,200 individuals at a cost of $900,000
- Primary care to be offered at three types of providers
  - DPC doc's office
  - CHC such as at the new Terry Reilly in Nampa
  - Rural hospital
    - Rural hospitals are dying under the ACA

FAQ

- Don’t have a DPC network.
  - CHCs now provide care to 10% of the state or 150,000.
- What would the appropriate reimbursement level be?
  - Qliance’s level is $69 per month, locally, one DPC provider charges $50 per month.
- How would DPC memberships be paid?
  - Not using insurance.
  - State Funds only

FAQ 2

- Doesn't fit in federal law.
- DPC is protected under the ACA section 1301 (3) and can be sold on the exchange.

(3) TREATMENT OF QUALIFIED DIRECT PRIMARY CARE MEDICAL HOME PLANS.—The Secretary of Health and Human Services shall permit a qualified health plan to provide coverage through a qualified **direct primary care medical home** plan that meets criteria established by the Secretary, so long as the qualified health plan meets all requirements that are otherwise applicable and the services covered by the medical home plan are coordinated with the entity offering the qualified health plan.

- Doesn't provide essential Benefits.
  - Doesn't have to provide all benefits. It is suppose to be accompanied with a wraparound policy.

Hospitals will lose $60 million

- An increase investment in primary care will do more to help provide medical care to citizens of Idaho than any other investment.
- $60 million less than 2% of the $3.4 billion of the hospital gross revenue in Idaho
- More primary care will reduce uncompensated care
- Hospitals – tax exempt status

Wavier

- Another possibility is to seek a waiver
- Idaho uses state money to pay for primary care as described
- Partner with CMS to cover hospitalizations
- New Congress may be willing to consider innovative solutions; as far as I know, there are no other options on the table; if this committee suggested an innovative solution, it may actually happen.