



October 26, 2017

Ms. Penny Thompson, MPA  
Chair  
Medicaid and CHIP Payment and Access Commission  
1800 M Street, NW  
Suite 650 South  
Washington, D.C. 20036

**Sent via electronic transmission to: [comments@macpac.gov](mailto:comments@macpac.gov)**

Dear Ms. Thompson:

Thank you for your thoughtful and outstanding leadership of the Medicaid and CHIP Payment and Access Commission (MACPAC). The Healthcare Leadership Council (HLC) welcomes the opportunity to share our thoughts on issues considered by the Commission during its last meeting.

HLC is a coalition of chief executives from all disciplines within American healthcare. It is the exclusive forum for the nation's healthcare leaders to jointly develop policies, plans, and programs to achieve their vision of a 21st century health system that makes affordable, high quality care accessible for all Americans. Members of HLC – hospitals, academic health centers, health plans, pharmaceutical companies, medical device manufacturers, laboratories, biotech firms, health product distributors, pharmacies, post-acute care providers, and information technology companies – advocate for measures to increase the quality and efficiency of healthcare through a patient-centered approach.

HLC's crossectoral membership believes that Medicaid should continue to be an important and viable safety net that provides stable and continuous coverage to low-income individuals and families who do not have access to either employer-sponsored insurance or private insurance. There are ways to increase efficiency in the Medicaid program; however, such policy changes should maintain access to the safety net for our most vulnerable citizens. The attached Medicaid principles outline HLC's suggestions for achieving these goals, and a few key issues are also highlighted below.

#### Medicaid Enrollment

Given the significant amount of churn in and out of the program, Medicaid enrollment needs to be simplified and streamlined. This will promote continuity of coverage and ensure that eligible beneficiaries are able to maintain consistent coverage that can lead to longer-term improvements in their health.

### Delivery System Reform

Section 1115 waivers provide an important avenue for states to gain flexibility in managing their Medicaid programs. States know best how to meet the needs of their population, and the 1115 Waivers give states the opportunity to implement delivery and coverage reforms. The process for applying for these waivers should be simplified.

Within the flexibility given by these waivers, safeguards must be put in place to ensure that Medicaid funds are spent on services that will improve the health status of beneficiaries on Medicaid and not on other state priorities. There needs to be additional transparency and oversight to ensure that Medicaid funds are being used in the most appropriate way.

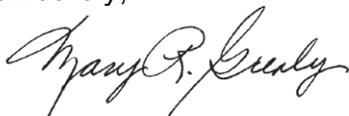
Drawing from private-sector progress in moving to paying for value, the Medicaid program should encourage the adoption of models, including Medicaid managed care, that move away from fee-for-service and reward population health outcomes and value. States should be given incentives for implementing quality incentives and improving program integrity. These state models should recognize the needs of different segments of the Medicaid population, and states should be incentivized to develop programs that address the resource needs of those populations, including socioeconomic challenges. States should also be encouraged in the development of innovative programs to address the social determinants of health, including the use of Community Health Workers (CHWs) to link Medicaid beneficiaries to services such as affordable housing, nutritious food, and transportation to medical appointments.

### Telemedicine

HLC believes that telemedicine and remote patient monitoring (RPM) should be included in Medicaid coverage. These services can supplement in-person healthcare visits, and have been shown to improve healthcare access and quality while lowering costs. They help to meet patient demand, deliver care to patients who cannot be seen by a clinician in person, and assist providers in caring for patients within models in which they take on increased risk. Payment should always connect to the type of service being provided, not the setting in which it is conducted, so that providers are able to choose the means that is most effective for each Medicaid patient.

Thanks again for your work with MACPAC. HLC looks forward to continuing to collaborate with the Commission on these important issues. Should you have any questions, please do not hesitate to contact Debbie Witchey at (202) 449-3435.

Sincerely,



Mary R. Grealy  
President



## MEDICAID PRINCIPLES

*HLC believes that Medicaid should continue to be an important and viable safety net that provides stable and continuous coverage nationwide to low-income individuals and families who do not have access to employer-sponsored insurance or private individual insurance. We offer the following principles for consideration by policymakers as they debate Medicaid reform.*

### Medicaid Funding

Policymakers should ensure that Medicaid continues to be viable and sustainable over time. This includes:

- Ensuring that Medicaid funding rates reflect increases in the costs for medical care, growth in the volume and intensity of services per person, and demographic effects such as the aging of the population. Funding should also be flexible enough to take into account changes over time and unforeseen circumstances such as economic downturns, major disasters, and epidemics.
- Putting safeguards in place to ensure that Medicaid funds are spent on services that will improve the health status of individuals on Medicaid and not other state priorities. There needs to be additional transparency and oversight to ensure that Medicaid funds are being used in the most appropriate way. States should be given incentives for implementing quality incentives and improving program integrity.
- Making sure that the Medicaid funding formula is actuarially sound to provide adequate funding to cover quality services for beneficiaries. This formula should be developed in a process that maximizes transparency of the data, assumptions, and methodologies behind each state's contracted rate, as well as adjustments based on individual state needs.
- Ensuring equitable treatment between expansion and nonexpansion states, and ensuring continuity of coverage for individuals and families currently enrolled in the program.

### Medicaid Eligibility, Access, and Enrollment

Policymakers should ensure that Medicaid continues to serve as a safety net for low-income individuals and families. This includes:

- Providing beneficiaries with the services needed to seek employment, work, receive education, or perform community service (without making these requirements punitive). Beneficiaries with disabilities should be given access to

supportive services so that they can work if able, and their employment should not negatively affect their Medicaid eligibility.

- Enhancing beneficiary access to private health plans administering Medicaid managed care.
- Ensuring that those eligible for Medicaid are enrolled in the most efficient manner and minimizing inefficiencies and disruptions in care due to churn by streamlining the application process.

### Medicaid Beneficiaries

Policymakers should especially work to provide the most vulnerable Medicaid beneficiaries with comprehensive and patient-centered services. This includes:

- Supporting managed care plans in their efforts to integrate care for people with complex health needs, including physical and behavioral health services.
- Strengthening care coordination, including medication adherence, for beneficiaries with chronic conditions.
- Aligning benefits and incentives that improve access to care for dual-eligible beneficiaries.

### Medicaid Providers

Policymakers should support the hospitals, physicians, and other healthcare providers who serve Medicaid beneficiaries. This includes:

- Giving states the flexibility to adopt value-based arrangements with providers.
- Supporting best practices in health information exchange among Medicaid providers.
- Giving Medicaid providers the opportunity to be reimbursed for telemedicine services.
- Giving adequate reimbursement to hospitals that serve Medicaid patients.
- Supporting team-based care where medical professionals are permitted to practice to the full extent of their license and are reimbursed for those services.

### Other Medicaid Services and Benefits

Policymakers should enhance state flexibility to craft Medicaid programs that best meet the needs of their populations. This includes:

- Developing innovative programs to address the social determinants of health, including (but not limited to) transportation, housing, and access to nutritious food. Policymakers should encourage the use of community health workers to link Medicaid beneficiaries to these programs.
- Providing Medicaid beneficiaries with access to telemedicine services.
- Maintaining first-dollar coverage of preventive services to encourage beneficiaries to use these services.
- Facilitating innovation in long-term care, particularly home- and community-based services.
- Supporting programs that educate consumers on health literacy.

- Supporting consumer-centered programs like prefunded health savings accounts, and allowing incentive payments to consumers for achieving agreed-upon goals.