

CMS' Proposed Managed Care Reg May Be A Tough Transition for Plans

Posted: December 02, 2015

Two executives at a health plan consulting firm said the increased oversight in CMS' proposed managed care regulation is necessary, but that Medicaid health plans may not be fully prepared for the structural shift to a more metric-driven system.

The proposed rule released this past May would modernize Medicaid and Children's Health Insurance Program (CHIP) managed care regulations to update the programs' rules for the first time in more than a decade. It would create a Medicaid managed care quality rating system that would include performance information on all health plans and align with the existing rating systems in Medicare Advantage and the marketplace.

Ted Quesnette, chief operating officer of Cody Consulting, said Medicaid plans are regulated by the states they are working in, so CMS can only indirectly impact the plans through the state. He said what CMS is doing is requesting data from the states which they would need to get from the plans. Since every state has had its own distinct way of doing business, there is no consistency in the data between states.

"CMS, through the rule, has expressed a goal of creating similarities in the way Medicaid, Medicare Advantage and Health Insurance Exchange plans are structured. So CMS is asking the states to collect metrics around compliance, health care delivery, quality (outcomes) and plan structures. By doing this they are creating national consistency," said Quesnette.

Deb Mabari, chief executive officer of Cody Consulting, said CMS' proposed rule may be problematic because Medicaid plans are not as prepared as Medicare plans when it comes to increased oversight.

"It's necessary, but it's a sea change for these Medicaid plans, so it's uncomfortable and it's unclear," said Quesnette.

Jeff Myers, president of Medicaid Health Plans of America, said that quality and metrics are not mutually exclusive and Medicaid health plans historically have had many ways to measure quality.

"The notion that Medicaid managed care plans aren't prepared for increased oversight is off base...[T]o say that Medicaid plans are in for a culture change because of a metrics issue misses the mark," said Myers.

Myers added Medicaid plans have to report on more measures than do commercial and Medicare Advantage plans, although he noted measures that Medicaid plans are not required to report some measures that are age-specific and largely for the elderly.

Quesnette said there is a lack of transparency in what CMS is trying to accomplish in the rule. He said the agency spoke in generalities -- especially around care delivery, metrics and collecting information -- despite wanting to implement specific provisions in the rule.

But Quesnette also said alignment could provide consistency among programs. CMS likely wants to see alignment between the commercial plans and Medicaid plans because beneficiaries can churn between the two. CMS wants people to be comfortable with the design of the plans and to know what to expect when moving from product to product, he said. By aligning the plans, beneficiaries will be more comfortable if they move between them.

Leonardo Cuello, of the National Health Law Program, said that as the use of managed care grows in Medicaid, overseeing Medicaid managed care plans becomes more important for states and CMS.

"This is a major challenge for CMS -- it requires funding, expertise, dedicated staff, etc. The new managed care regulations are an important step forward, but only as good as their enforcement. We believe that CMS will need to take a proactive and thorough approach to monitoring and enforcement to make managed care work for consumers," said Cuello. -- *Erin Raftery*