

Managed Care

Kicking the can on cost containment in Idaho

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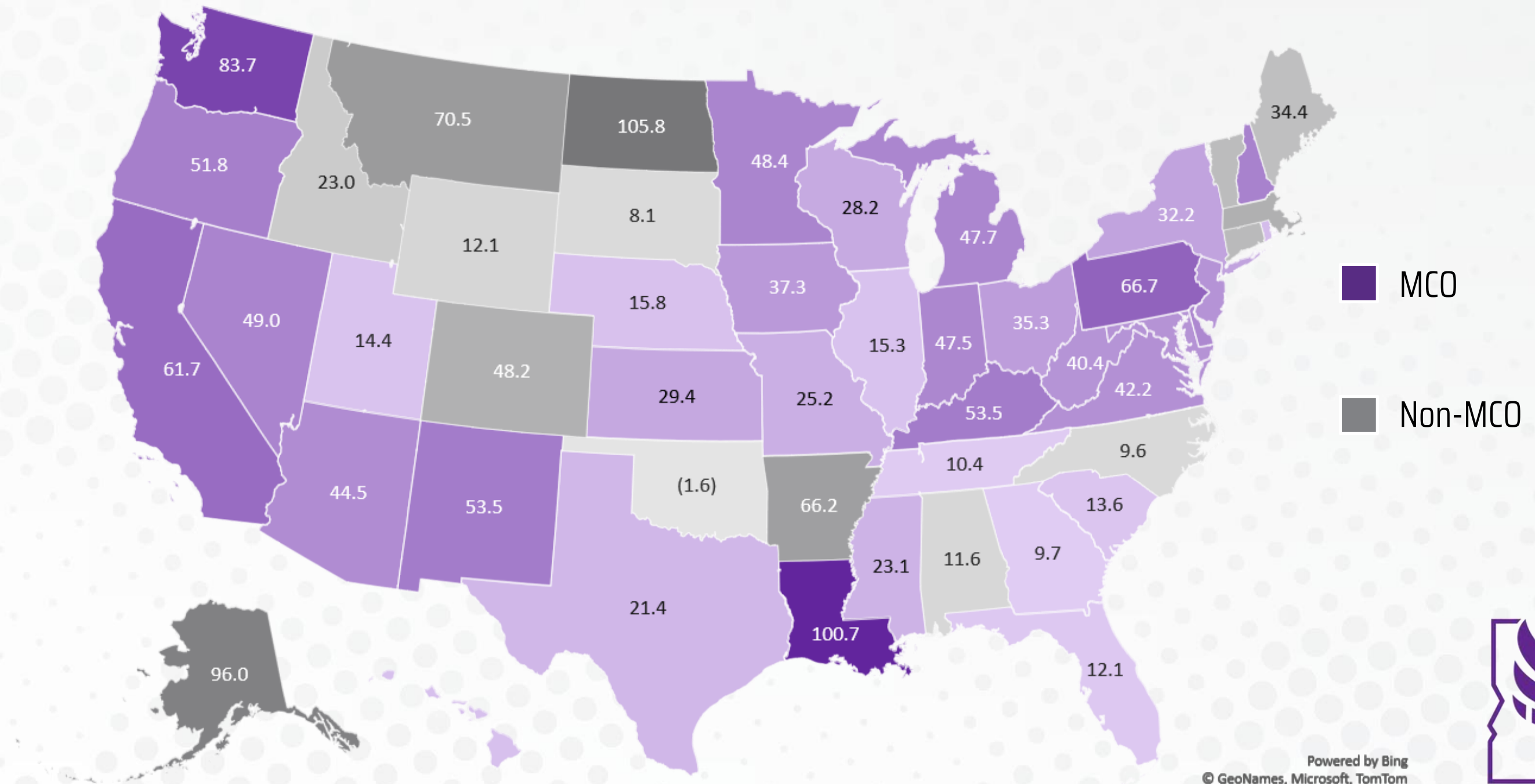
Key points

- **Managed care avoids true, intentional cost containment**
- **The expanding welfare state and a lack of accountability drives costs**
- **True cost containment requires reducing service costs, use, or enrollment**



Cost growth is unrelated to admin model

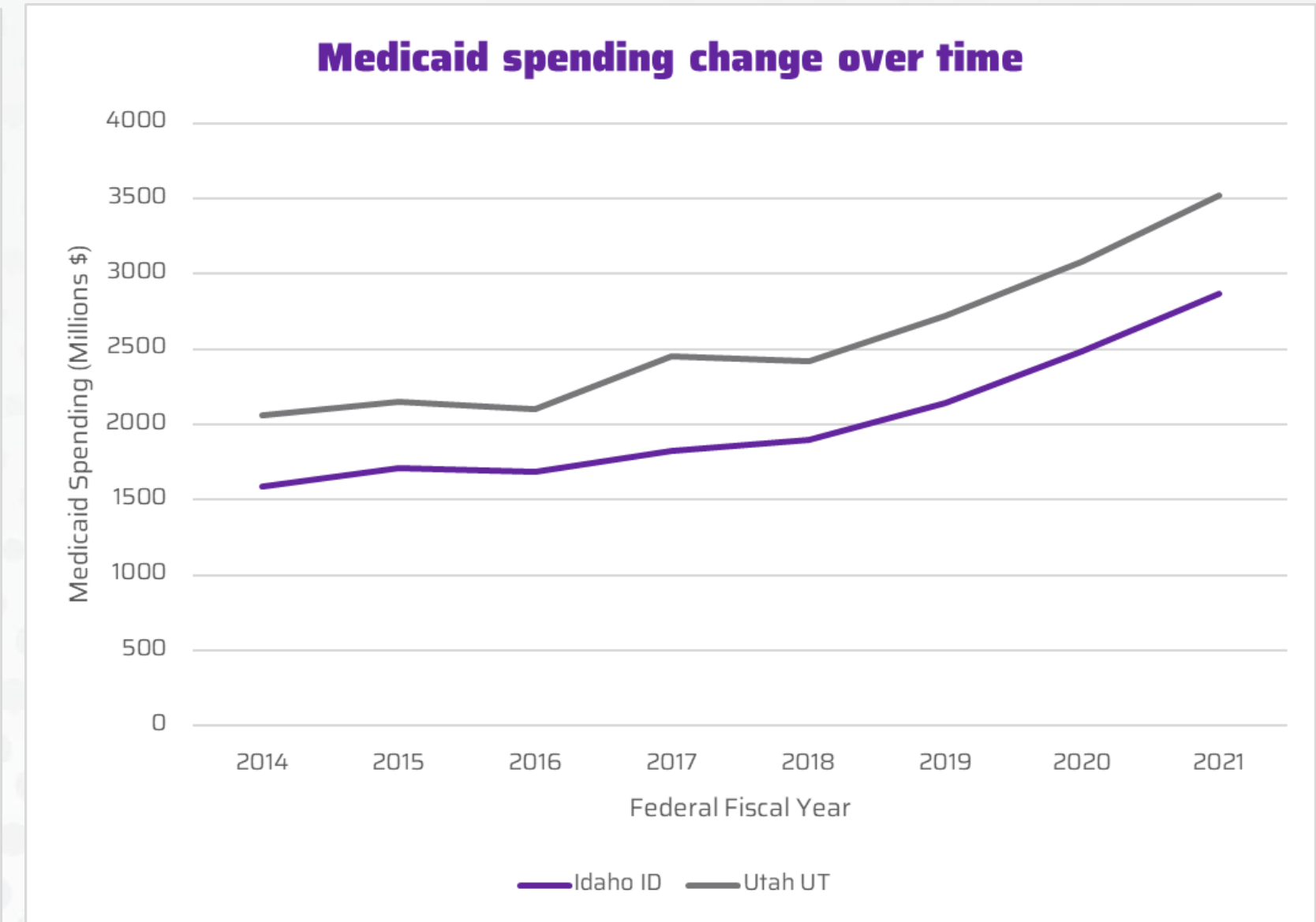
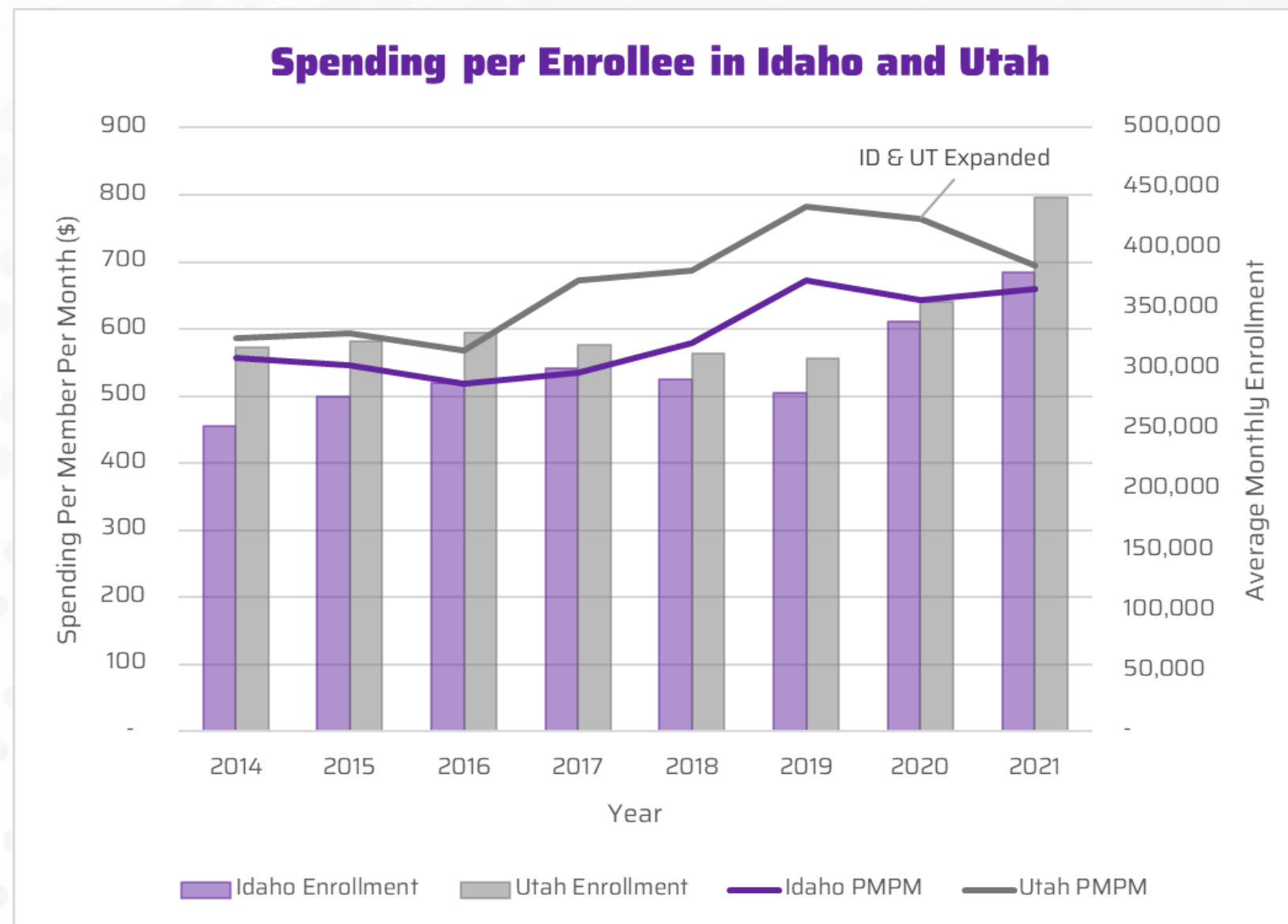
(Per 100K residents, in million dollars from 2014 to 2019)



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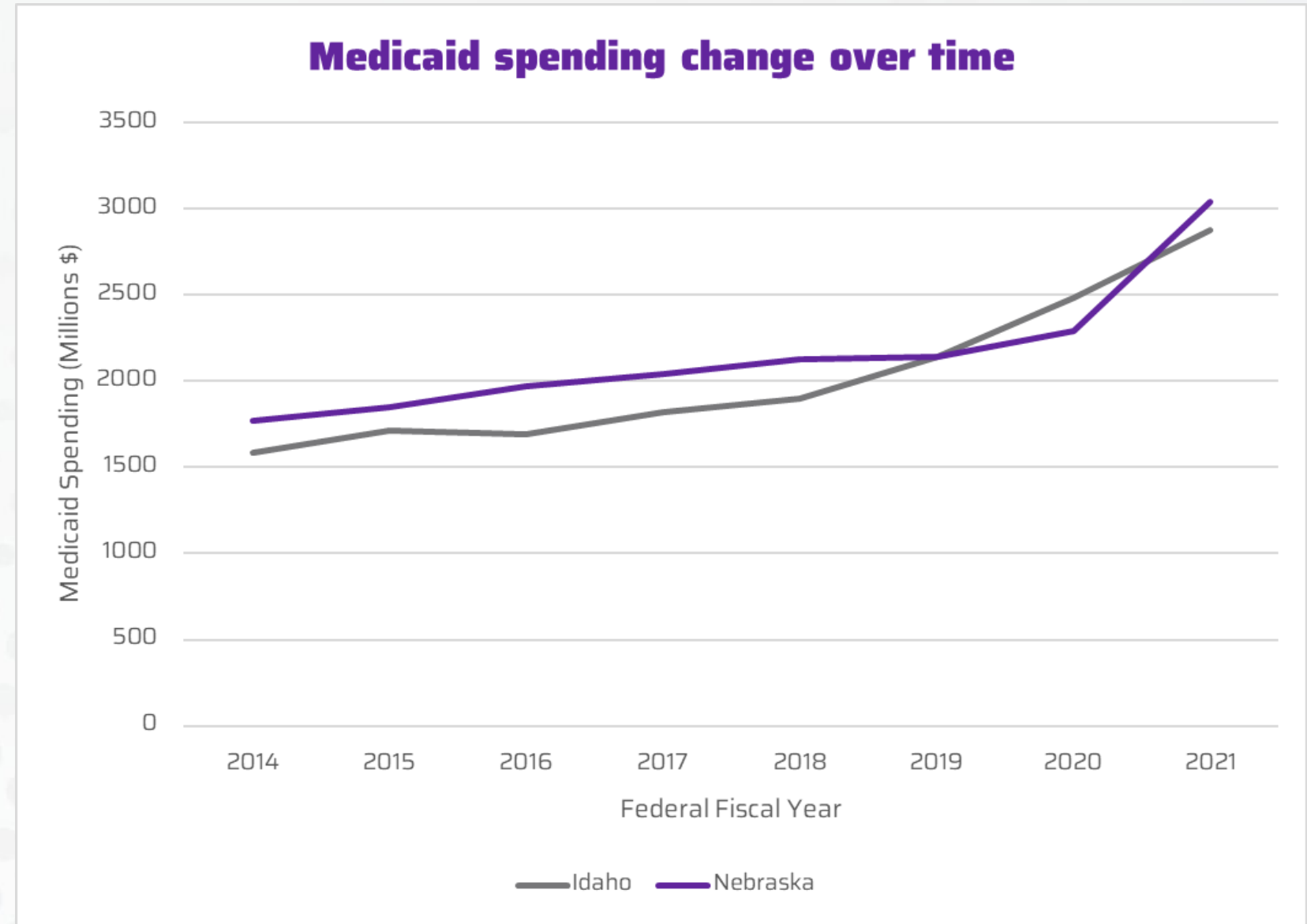
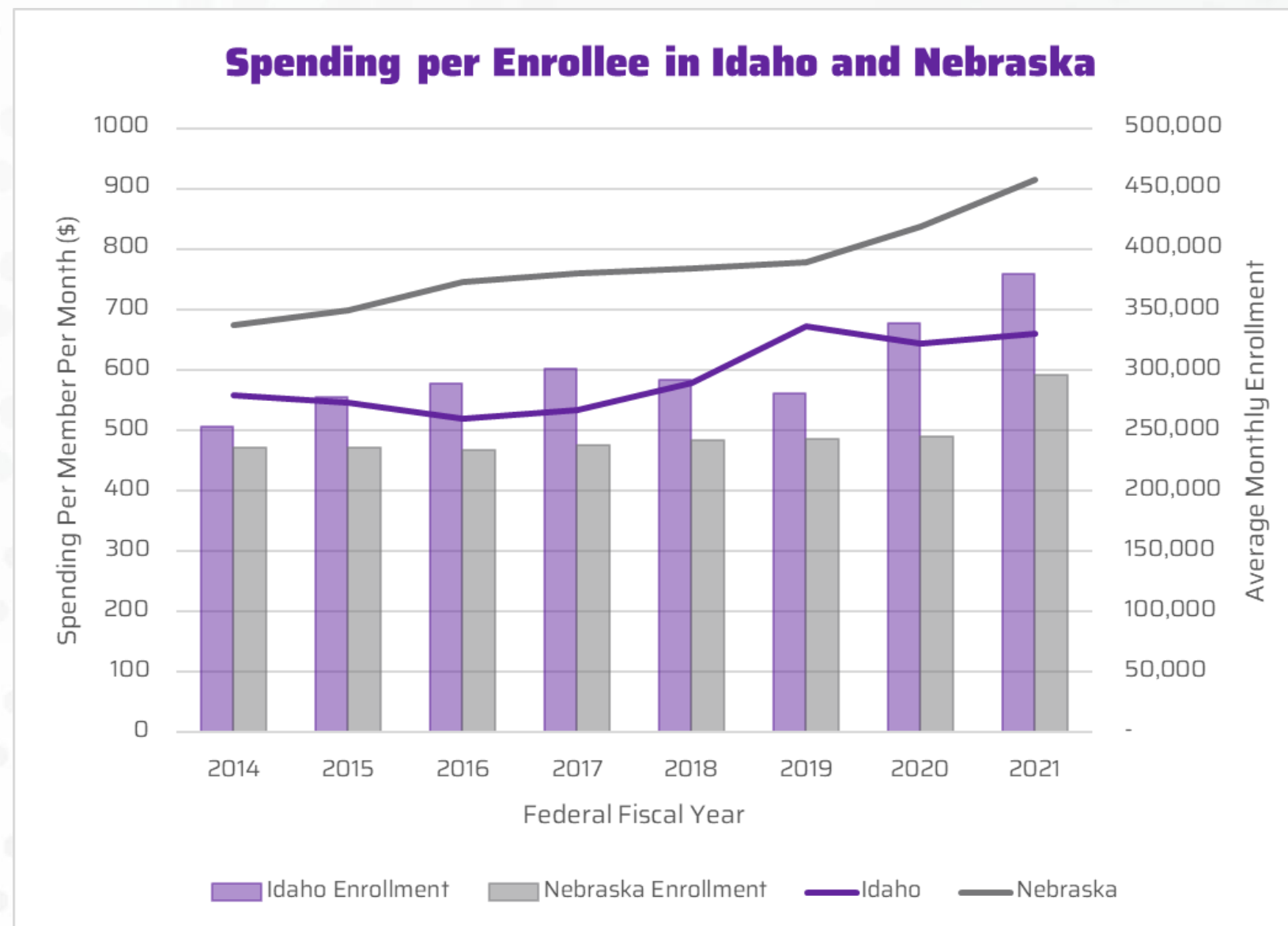
Utah managed care cost growth



- **Utah compound growth rate for total spending is similar to Idaho**
- **Utah Pre-2020 PMPM growth is much faster than in Idaho**



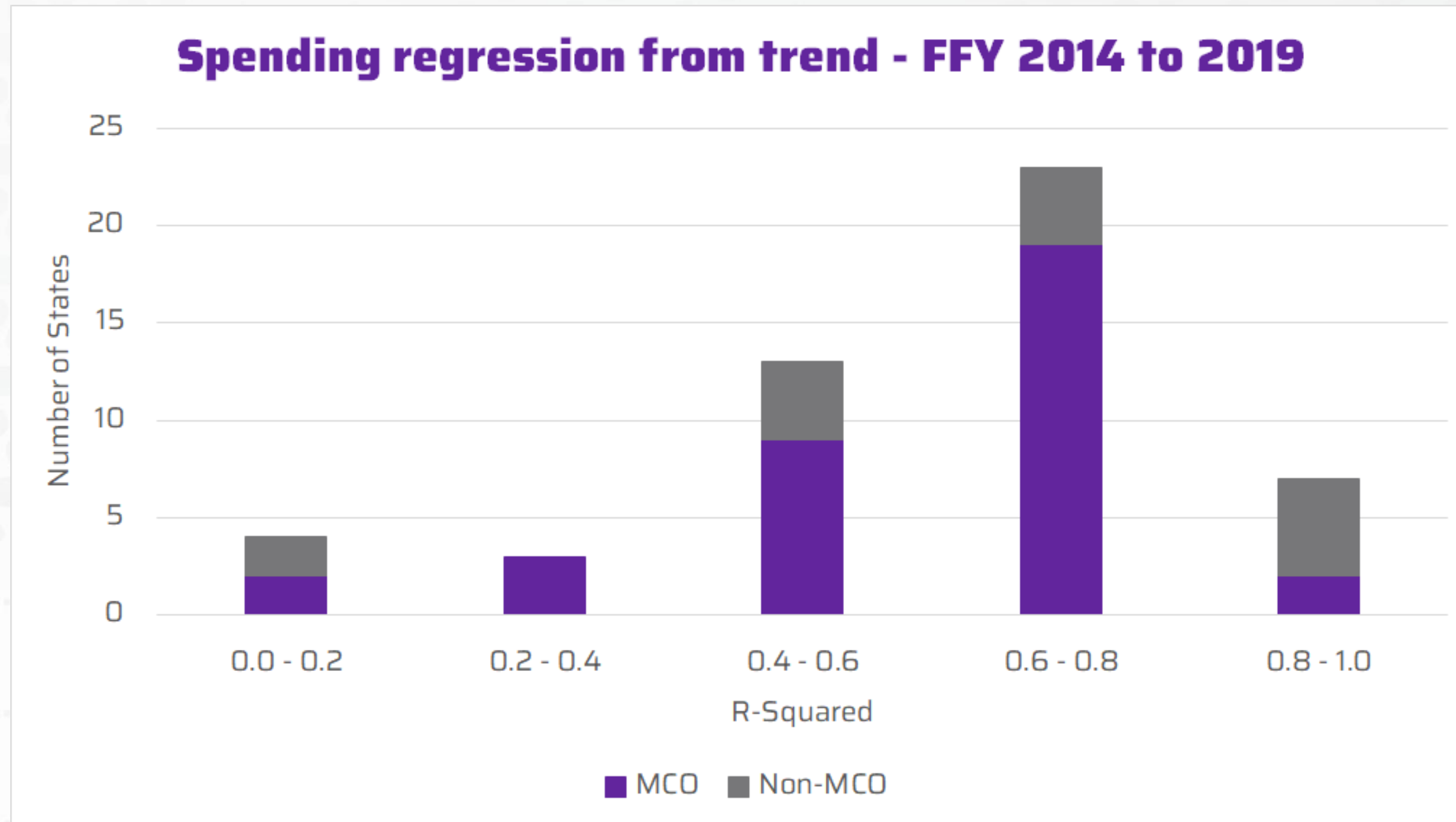
Nebraska managed care cost growth



- **Nebraska has higher total and PMPM costs than Idaho**
- **More than 50% comprehensive MCO coverage for decades**



MCOs don't promote budget predictability



What are Idaho's cost drivers?

- **Medicaid expansion is the strongest driver in all states**
- **The slowed pandemic unwinding process**
- **Provider billing practices**

The iron law of Medicaid cost control

- **Reduce enrollment**
- **Reduce the cost of services**
- **Reduce service consumption**



The iron law of Medicaid cost control

- **Reduce enrollment:**
Remove ineligible and repeal expansion
- **Reduce the cost of services:**
Full audit of provider billing practices
- **Reduce service consumption:**
State prescription benefit autonomy



Questions



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Sources

- **State Medicaid spending:** Expenditure Reports from MBES/CBES, (n.d.), Centers for Medicare and Medicaid Services.
- **Idaho enrollment data:** Legislative Budget Book, (2015 – 2022), Idaho Legislature.
- **Nebraska enrollment data:** Nebraska Medicaid Annual Reports (2014 – 2021), Nebraska Legislature.
- **Utah enrollment data:** Utah Medicaid and CHIP Annual Report Enrollment Data, (n.d.), Utah Department of Health and Human Services.
- **Population estimates:** US Census Bureau Data (n.d.).
- **Idaho Medicaid cost projections:** Financial Impacts from Medicaid Expansion in Idaho, (2018), Milliman.



Sources

- **Prescription drug benefit:** Medicaid's Prescription Drug Benefit: Key Facts, Kaiser Family Foundation.
- **Frozen PHE unwinding:** CMS: Nine States Have Agreed to Pause Procedural Medicaid Redeterminations, (July 2023) Inside Health Policy.
- **Cost of retaining ineligible:** Pandemic Unwinding: How States Should Clean Up Their Medicaid Rolls, (2023), Paragon Health Institute.
- **Improper payments:** AFP Foundation Gets CMS to Release State-Level Medicaid Improper Payment Data After Years of Stonewalling, (2022), Americans for Prosperity.

