

Prepared Remarks for Medicaid Legislative Task Force
Charles H. Chodroff, MD, MBA, FACP
August 9, 2023

I'd like to thank the Task Force for allowing me to share my thoughts on the future of Medicaid financing and health delivery in the state of Idaho. We all share a common concern to assure health care services for those who are poor are provided in the most compassionate, safe, effective, and fiscally sound manner.

The Idaho Medicaid Value-Care Organization is a bold experiment designed to assure that we can meet this goal. Using a collaborative approach, the state and Idaho providers have designed a program that helps promote quality care while creating real incentives to reduce potentially avoidable utilization of healthcare services. The shift from a fee-for-service model of reimbursement to one in which providers share the risk of healthcare expenses with the state represents a dramatic change in the mutual responsibilities of these parties. Over the past 3 years the Saint Alphonsus Health Alliance, along with the other Value Care Organizations, has invested considerable time, effort, and money to assure the success of this program.

During the first year of this program more than 37,000 Medicaid beneficiaries were attributed to the providers in the Alliance VCO network. While the official results for our first performance year of 2022 won't be available for another month, the preliminary reports provided to us by the Department of Health and Welfare indicate we are very close to the predicted budget and may even have a small surplus. We believe these results were not due to mere chance but instead the result of significant investments we made to assure the quality and control the cost of care for these individuals.

I'd like to share with you some of the investments we have made to assure the success of this program. The Alliance has been managing care for commercial and Medicare patients for over a decade. The care management programs we have implemented are identical to those used by insurance companies and managed care organizations hired by employers or state Medicaid programs to manage healthcare benefits. While these companies may claim they have the "secret sauce" needed to manage care, what they do is in the public domain and well known to us through our decade of managing care for Medicare and commercial patients.

The Alliance employs 8 registered nurses and two pharmacists who are supervised by a full-time medical director. This team currently spends more than 50% of their time on our Medicaid VCO population with the balance of their time managing the commercial and Medicare patients for whom we are also responsible. Following a patient's hospitalization or emergency department visit a member of our clinical team contacts the patient to assure they understand the care plan and have the necessary medications that were prescribed. Patients who are hospitalized often leave with many new medications that require careful education to assure proper storage and administration. We do provide education during the hospitalization, but it's well known that most patients don't fully comprehend this information when initially presented. We have

averted many unnecessary hospital visits by engaging with the patient and their family during the immediate post-hospitalization period.

Many of these patients are medically complex and extremely frail. For those who require more intensive support, our clinical team remains in touch with the patient to assure they understand how to best manage their fragile health status. Our clinical team serves as an ombudsman helping expedite further diagnostic testing when necessary and assuring timely visits with specialists. We want to assure that these patients can continue to live in the community, the lowest cost for Idaho, and not experience preventable declines in their health.

Our Medicare Value-Care Organization includes 14 primary care practices throughout the Treasure Valley, each of whom understands their responsibility to manage the quality and costs of care for their assigned Medicaid patients. They reliably see these patients during the first 2 weeks following a hospitalization or transition from a skilled nursing facility. The Alliance clinical team supports these practices by providing additional information gathered by our nurses and pharmacists and providing ongoing support to their patients. We have been told by these providers that there is a level of trust with our clinical team that exceeds that of any managed care company.

All Medicaid patients attributed to us are financially challenged. As such, these individuals often face many hurdles to assure they can live independently in the community without further deterioration of their health. Many have difficulty affording food. Some are homeless or have unstable housing situations. Many do not have access to convenient transportation to take them to clinics. In addition to our clinical team, the Alliance has the support of 10 community health workers who work with these patients to address these social challenges. They arrange meals on wheels, help find stable housing, and arrange affordable transportation services. Without these interventions it's likely our patient's health would decline requiring a visit to an emergency department.

We have also devoted considerable resources to assure our Medicaid patients receive appropriate preventive services. Our agreement with IDHW currently requires we exceed challenging thresholds of performance for 6 quality measures including breast cancer screening, diabetes control, and wellness visits for infants and adolescents. We employ performance improvement specialists who, using data supplied to from IDHW, works with our practices to contact those patients who need these services that have not yet been performed.

In conclusion, we believe Idaho's government and its healthcare providers have developed an innovative, locally managed approach to improving the quality and fiscal stability of our Medicaid program. We have only one year of experience following several years of deliberation and preparation. Idaho's providers in this program will accept downside risk beginning in 2024. We believe we are prepared to accept this financial risk and remain committed to the success of this program. Contracting with a commercial insurance company will likely yield similar results to what we are achieving. The difference is that these companies will expect a profit margin with those funds leaving Idaho instead of remaining with the state and its providers.