

Medicaid Reform: A Bipartisan Necessity

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With the hyper-partisan tone inside the beltway, it is easy to forget that real progress and consensus is often reached in areas of great budgetary importance far from the nation's capital. One need only look to the nearest statehouse to realize Medicaid reform is one such task that political parties agree ensures fiscal viability and efficient services for years to come. Red and blue states alike are increasingly taking the lead on this reform. Not a mandate or an ideological matter, chief executives see Medicaid reform as a simple exercise in accounting.

For example, In New York state, Democratic Governor Andrew Cuomo established the **Medicaid Redesign Team** (MRT) to recommend reductions in spending to the state-run program, while also improving the quality of care. This politically dangerous and logistically difficult task was outlined in a **January 5th Executive Order**, just four days after Cuomo took office. The MRT was an innovative, inclusive way to approach a difficult problem. It held several meetings, solicited public comments, and engaged stakeholders to establish the framework of a broad consensus for cutting costs and reforming the New York Medicaid system.

By February 24, 2011, the MRT completed its work and submitted **79 recommendations** to the governor, which he included in a budget proposal that is currently before the legislature. The recommendations centered around seven overarching themes:

- Recalibrating Medicaid benefits and reimbursement rates, ensuring consumer protection and promoting personal responsibility
- Eliminating fraud and abuse
- Ensuring that every Medicaid member is enrolled in care management
- Empowering patients and rebalancing service delivery
- Eliminating government barriers to quality improvement and cost
- Better aligning Medicaid with Medicare and the Affordable Care Act

Governor Cuomo's **remarks** on the establishment of the MRT point to the dismal statistics surrounding New York's health care system as the main impetus for reform. New York doles out more than twice the national average in Medicaid spending per capita, ranks 21st for health system quality, and dead last among states for avoidable hospital use and costs. One factor is the impending expansion of Medicaid eligibility under the Affordable Care Act.

Though the New York State Legislature has until April 1, 2011 to pass a budget, it seems likely that most of the governor's ideas will be a part of it.

Like New York's liberal Democratic governor, conservative Republican Susana Martinez of New Mexico has also addressed the issue of Medicaid reform. Her administration released a request for proposals (RFP) for a visionary plan for the redesign of New Mexico's Medicaid program (**GovWin opportunity 69005**). The RFP, released on March 14, 2011, seeks a firm to help the state redesign Medicaid with the goals of sustained cost efficiencies and long-term sustainability of the program. Much like the goals of New York's Medicaid Redesign Team, New Mexico seeks to reduce costs and increase efficiency without reducing eligibility – a solution barred by federal law.

GovWin's TAKE

As individuals across the country remain divided about federal health care reform, bipartisanship is alive and well in the fight for the fiscal health of the states. States like Ohio, Arizona, Florida, Idaho, and Illinois are currently grappling with Medicaid reform. Republicans and Democrats in these and other states seem to agree that spending is increasing with diminished results that necessitate reform to costly entitlements like Medicaid. It is clear that as time progresses and eligibility requirements increase under the Affordable Care Act, further reforms and cost-containment measures will not only be the trend, but the necessity for many more states across the country. This is most definitely a welcome sign for the future and a benefit to business and consumers alike.

