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# **Elevating the future of Medicaid**

Connection, collaboration, and care

August 2022



## Federal vision and state innovation

In November 2021, Centers for Medicare & Medicaid Services (CMS) Administrator Chiquita Brooks-LaSure and Deputy Administrator Daniel Tsai introduced a series of federal Medicaid & CHIP strategic priorities for 2022 and beyond.<sup>[1]</sup>

Together, these priorities—Coverage and Access, Health Equity, and Innovation & Whole-Person Care—provide states with a broad picture of federal goals and aspirations as the Medicaid program moves into a post-COVID-19-pandemic future.



### Coverage and access

Build on the Affordable Care Act and expand access to quality, affordable health coverage and care



### Health equity

Advance health equity by addressing the health disparities that underlie our health system



### Innovation and whole-person care

Drive innovation to tackle our health system challenges and promote value-based, person-centered care

# Coverage and access

The Center for Medicaid & CHIP Services' (CMCS) goal is to build on the gains made by the Affordable Care Act (ACA)—expanding coverage and access to affordable health care.

The pandemic amplified Medicaid's importance as a health insurance safety net for low-income, elderly, and disabled Americans who rely on the program. When the Public Health Emergency (PHE) ends, states need to unwind the continuous eligibility requirement, redetermine eligibility for current enrollees, and return to normal operations.

As states look to the future, **CMCS aims to help states to:**



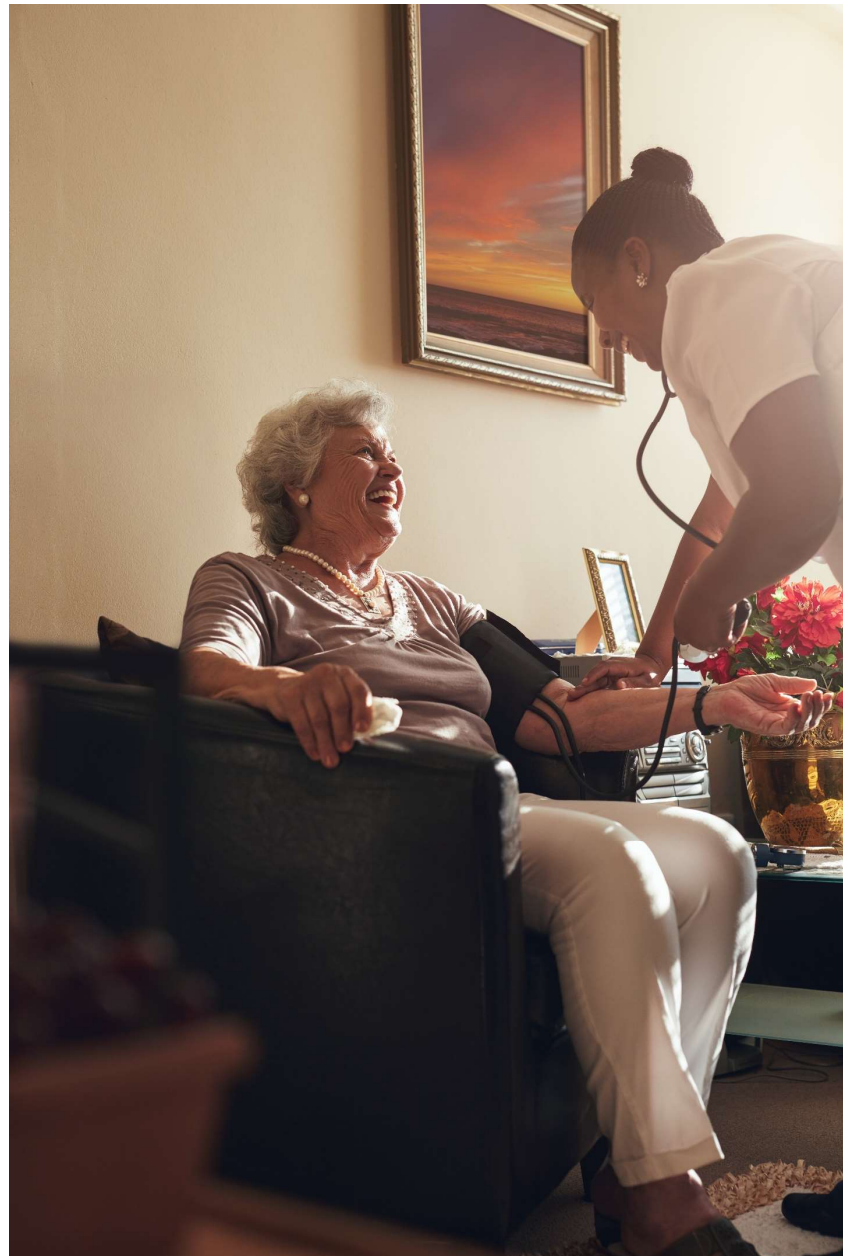
**Close the Medicaid coverage gap** in the 12 states that have not expanded Medicaid



**Increase and strengthen eligibility and enrollment** to reduce churn and improve the continuity of coverage



**Broaden access to home- and community-based services (HCBS)** to expand access to services and encourage state innovation



# Health equity

CMS defines health equity as attaining the highest level of health for all people, where everyone has a fair and just opportunity to attain their optimal health regardless of race, ethnicity, disability, sexual orientation, gender identity, socioeconomic status, geography, preferred language, and other factors that affect access to care.<sup>[2]</sup>



Efforts to improve health equity and reduce disparities in access to coverage and health care services likely will require a sustained and committed effort across many parts of the Medicaid program.

Innovations in delivery systems and other program enhancements have improved access to care and services. However, there are still inequities. Addressing these inequities could continue to improve the health and well-being of program beneficiaries. **CMCS has identified a number of priorities, including:**



**Improving data collection and analysis** to expand and standardize the collection of health equity data on a range of indicators, allowing more effective evaluation of strategies to reduce inequality



**Investing in evidence-based interventions,** including collaborating with states and specific stakeholders at the local level to evaluate effective state-specific initiatives to improve health equity



**Closing gaps in coverage, access, and quality of care for Medicaid/CHIP-eligible individuals** to help reduce barriers to coverage, encourage increased access to continuous coverage for Medicaid and CHIP enrollees, and expand access to home- and community-based waiver and other programs for underserved elderly and disabled populations

# Innovation and whole-person care

CMCS' third strategic priority centers on fostering state value-based care innovations and treating both physical and behavioral health care needs of Medicaid beneficiaries.

As Medicaid and CHIP look into the future, value-based and accountable care will be important strategies to address the full health care needs of the population. Recognizing that behavioral health care needs to be addressed at parity—and with similar intensity—as physical health requires fresh approaches to coverage and care. **CMCS' goals include:**



**Transitioning most Medicaid beneficiaries into accountable care entities by 2030**—as many states are already beginning to implement<sup>[3]</sup>—to help improve the value of care provided and address the full range of beneficiary health care needs



**Progressing toward more holistic, whole-person care**, including providing behavioral health and substance abuse services at the same level and intensity as physical health services



**Continuing use of Section 1115 waivers** to help improve equity and financial sustainability among states, including expanding access to care/coverage; improving quality of care; and innovating in the areas of value-based delivery and reimbursement





# The Future of Medicaid

## What's on the horizon for states?

The COVID-19 pandemic presented tremendous challenges to states managing their Medicaid programs—from rapidly increasing enrollment to restricting some program reforms. Medicaid provided a valuable safety net to beneficiaries during the PHE at a time when access and availability of health care were paramount.

Once the PHE ends and states complete the unwinding process following the sunset of the Medicaid continuous eligibility requirement, states will have fresh opportunities to leverage lessons learned since 2020 and further improve their programs aligned with CMCS' vision.

Many states already are embracing opportunities to:



### **Emphasize health equity principles**

**throughout the Medicaid program**, including improving data collection and reporting on quality and other measures, as well as directing managed care organizations (MCOs) to improve the quality of care for all beneficiaries, develop new equity strategies, adopt innovative alternative payment methods, and attract a more diverse agency workforce



### **Build on the expansions in coverage**

over the past decade by simplifying eligibility and enrollment to reduce churn and improve continuity of coverage



### **Increase focus on value-based care and effectively integrating behavioral health care**

to improve the quality of care and access to services across health care conditions

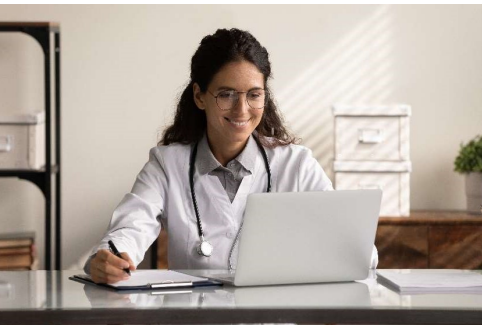
In future years, states will be challenged to continue existing efforts and develop new, innovative approaches to address coverage/access and health equity needs—including providing value-based, whole-person care. The levers and strategies vary by program, but the overarching goals are largely consistent across states.

Medicaid programs continue to build toward the future—from policy and operations to supporting technologies to modernize their programs.



**Policy and operational enhancements are vital to states to effectively manage their Medicaid programs, and states are pursuing numerous goals, including:**

- Using Section 1115 waivers to advance equity and other programmatic goals by funding community partners, expanding eligibility, and addressing non-medical drivers of health
- Strengthening network adequacy standards, including those for behavioral health, to improve access to care and service delivery
- Adopting administrative simplifications, such as Express Lane or facilitated enrollment flexibilities, to improve the redetermination process and confirm that those eligible for coverage stay enrolled
- Continuing to bolster data collection and reporting for Healthcare Effectiveness Data and Information Set (HEDIS) and Medicaid & CHIP Core Set measures to evaluate overall quality of care as well as specific areas of inequity
- Considering transitions to accountable care entities and other value-based models that reimburse for the total set of services needed to address the full range of beneficiary health care needs
- Pursuing value-based payment models and other innovative reimbursement strategies, which may be effective to reward providers and MCOs for improved quality of care and outcomes



**Technological improvements are helping to propel states to improve access to care and services, including:**

- Continued expansion of telehealth services to provide additional equitable access to whole-person care for beneficiaries, especially in rural or underserved communities
- Modernization of eligibility and enrollment systems and Medicaid enterprise systems to support continuous coverage for eligible beneficiaries; better manage claims/encounters and other administrative functions; and comprehensively collect, store, share, and apply data and programmatic information
- Employing smart technologies such as machine learning and geographic information systems (GIS) to enhance and modernize program operations, customer service, targeted interventions, and other aspects of the Medicaid program

# In conclusion

The future of Medicaid will not be without unexpected challenges and obstacles. Within the Medicaid state-federal collaboration, there is broad consensus towards innovation and continued improvement to serve the Medicaid population.

Want to learn more about the future of Medicaid? We'll be publishing a full report later this year. Visit [www.deloitte.com/us/statehealth](http://www.deloitte.com/us/statehealth) and subscribe to our e-mail list to be the first to receive The Future of Medicaid.

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[1] "A Strategic Vision for Medicaid And The Children's Health Insurance Program (CHIP)", Health Affairs Blog, November 16, 2021.

[2] <https://www.cms.gov/files/document/health-equity-fact-sheet.pdf>.

[3] Rutledge RI, Romaine MA, Hersey CL, Parish WJ, Kissam SM, Lloyd JT. Medicaid Accountable Care Organizations in Four States: Implementation and Early Impacts. *Milbank Q.* 2019 Jun;97(2):583-619. doi: 10.1111/1468-0009.12386. Epub 2019 Apr 7. PMID: 30957294; PMCID: PMC6554509.

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