### Project Objectives

- To better understand the range of state approaches to Medicaid payment reforms
- To identify promising practices and lessons learned
- To identify common themes across states

### Background

**Policymakers seek value from Medicaid program**
- Improving outcomes
- Containing cost growth

**States exploring a variety of approaches to achieve these goals**

**Challenges in Medicaid payment reform**
- More enrollees with complex conditions, higher medical costs, and economic and social challenges
- Limited ability to influence enrollee health care seeking behavior through cost sharing
- Lower payment rates make it difficult to attract and engage providers

### Project Approach

**Site visits to AR, MN, OR, and PA in the fall of 2013 to understand:**
- What key factors affected model choice and design?
- What was required to launch and implement the initiatives?
- How does the program operate and how will they be evaluated?
- Interviews with state officials and stakeholder groups over 2 days in each state
- Not a formal research study or evaluation

### Project Sponsor

This project was sponsored by the Medicaid and CHIP Payment and Access Commission (MACPAC). MACPAC staff members James Teisl and Moira Forbes participated in and collaborated on this effort.

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### Themes Across States

1. State budget conditions often provided initial impetus for Medicaid payment reform, but savings are not the only goal
2. States are taking an active role in payment and care delivery reform beyond traditional Medicaid managed care, but changes in roles for MCOs vary by state
3. State Medicaid payment reforms intended to influence provider behavior directly
4. Data are important for facilitating improved care delivery downstream
5. One payment reform model will not fit all states
6. States have balanced flexibility with accountability in securing stakeholder buy-in
7. Current federal authorizing tools appear to be sufficiently flexible for the states we visited
8. Designing and implementing payment reform require investments in state staff time and resources
9. States continue to grapple with targeting Medicaid cost drivers within payment reform models
10. Results of Medicaid payment reforms are largely unavailable

### Looking Forward

- What policy levers can be used to spur innovation?
- How can CMS encourage states to use flexibility while ensuring transparency and accountability?
- What is federal government role in aligning objectives across payers and programs?
- How should value be defined and measured to assure consistency in evaluation?
- How is the role of managed care organizations evolving?
- How can goals of payment reform be applied to other (non-acute) services with the Medicaid program?