



# A Playbook for States

Seeking to Modernize their Health Care Systems

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**UnitedHealthcare<sup>®</sup>**

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## Seeking to Modernize their Health Care Systems

The American health care system requires fundamental change to provide all participants with broader access to affordable, high-quality care. Health care costs are too high and quality is too variable. The system should adopt the attributes of America's most successful enterprises and be more aligned, innovative, value-oriented and outcomes-focused in order to improve Americans' health outcomes and make the health care system work better for everyone. States have a unique and important role in modernizing the health care marketplace. Now is the time for states to apply proven ideas and best practices to building a better health care system for the 21st century.

### Provide Access to Affordable Health Care Options

#### Promote a Competitive Health Insurance Marketplace That Expands Consumer Access to Affordable, High-Quality Coverage Options

- Appropriately **fund state-based high risk pools** for those who lack other forms of coverage, and **create a corresponding risk adjustment program**, if necessary, so as to ensure that consumers with varying health statuses have access to affordable health benefit options.
- Support **state-based Exchanges**, including both public and private market solutions.
  - Grant health benefit plans flexibility to **construct networks of high-performing providers** to provide consumers with access to high-quality, cost effective options.
  - Allow health benefit plans to design and offer **products and benefit packages customized for specific geographic areas** within a state to account for regional variation in health needs.
  - Ensure conflict of interest laws **allow the best-suited entity** to perform Exchange functions, which will improve the Exchange's operational performance and help minimize a state's administrative burden.
- Create **small business tax incentives** to enable employers to redirect their resources toward maintaining and/or expanding employee health care benefits.
- **Ban the use of Most Favored Nation clauses** in health care. These anticompetitive arrangements between providers and dominant insurers stifle competition and limit affordable health insurance options for consumers.
- **Establish medical malpractice "safe harbors"** for physicians who practice in accordance with evidence-based standards to reduce the practice of defensive medicine and help lower overall health care costs.
- **Repeal state benefit mandates that are not responsive** to evolving medical science and that fail to promote affordable, high-quality care.
- Ensure that **state rate review rules are objective, transparent, reflect local market conditions, and preserve existing rating rules** that allow grandfathered health plans to vary rates based upon key demographics.
- **Update state licensing laws and ease scope-of-practice restrictions** to increase consumer access to timely care in the most appropriate setting.

### Modernize Public Programs to Ensure Access to Affordable, High-Quality Care

#### Develop Sustainable Medicaid Programs for Current and Future Beneficiaries

- Transition Medicaid to a system **that integrates all services** (acute, long-term care, pharmacy, and behavioral health services) **into a single managed care structure** for all beneficiaries, facilitating close alignment of medical case management, care coordination, and disease management.
- Ensure **Medicaid managed care rates are sufficient to cover the full cost of the benefits and services** provided to beneficiaries, thereby preserving beneficiaries' access to coordinated care. This can be accomplished by making the rate-setting process more transparent and participatory for managed care plans, by allowing for plan review and comment on actuarial assumptions, and by providing a mechanism for an independent review of the process and data used to establish the resulting rates.

- **Enroll all dual eligibles into fully integrated coordinated care programs** that accommodate the needs and choices of state dual eligible populations and reflect state-specific care delivery systems.
- Select Medicaid managed care services through a **competitive procurement process** to ensure that the highest-quality entities are chosen to deliver optimal care to beneficiaries.
- For states that only offer Medicaid fee-for-service (FFS), **adopt an incentives-based administrative services model** where private entities administer FFS benefits while also providing care coordination and targeted care management services.
- **Expand the use of mail order pharmacies** and **use real-time audits** to help control Medicaid drug costs. Make use of text message reminders and analytic tools to promote greater patient adherence to medication regimens and to detect non-compliance.
- **Align payments with quality health outcomes** through innovative models such as **bundled payments, patient-centered medical homes, and accountable care organizations** to incent the delivery of high-quality, efficient care.
- Adopt available **technology solutions**, such as **telemedicine**, to increase access to physicians, and **predictive modeling analytics** to identify high-risk Medicaid beneficiaries for targeted care interventions (e.g., telephonic coaching) and care management.

### Adopt Patient-Centered Innovations in Public Employee Health Plans to Promote Better Health and Drive Quality Outcomes

- **Make health care quality and cost data available** to public employees, and **reward employees who choose high-quality, efficient care** with lower cost sharing amounts, rebates or other incentives.
- Partner with proven and accomplished entities to **institute wellness and chronic disease management programs**, such as diabetes prevention programs, for public employees in order to improve their health and well-being.
- Provide public employees with greater access to **health savings accounts** and **consumer-directed health plans** to help incent employees to become active and informed participants in their health care.
- Offer public employees **incentives for participating in wellness programs, performing specific health-positive activities, or achieving certain health goals** to encourage employees to pursue healthy behaviors and lifestyles.

## Leverage Innovation and Technology to Build a Modern and Effective 21st Century Health Care System

### Transform the Health Care Ecosystem to Promote Connected Care and Reduce Waste, Fraud, and Abuse

- Incorporate the use of **new technologies and tools in public programs, such as mobile applications and social media**, designed to engage and educate consumers in the delivery of their health care, empowering them to make more informed decisions that can lead to improved health outcomes.
- Implement advanced tools and techniques, such as cross-program data sharing solutions, prospective claims audits, and detection algorithms to **identify fraudulent or inappropriate payments** and **reduce waste, fraud and abuse** in public programs, improve program integrity, and protect beneficiaries.
- Provide the funding and authority necessary to develop and advance **robust, sustainable health information exchange** among health care stakeholders both within and across state borders so as to support new patient-centered delivery models that rely on the seamless exchange of data across care settings to drive more effective, efficient, and coordinated care.
- Adopt **business intelligence, data warehousing, and analytic tools** to integrate and analyze data across multiple state systems to more effectively manage public programs for improved beneficiary outcomes and reduced costs.