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NEWS RELEASE

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**MEDICAID AND CHIP PAYMENT AND ACCESS COMMISSION (MACPAC)
RELEASES JUNE 2011 REPORT TO THE CONGRESS ON
THE EVOLUTION OF MANAGED CARE IN MEDICAID**

MACPAC's June 2011 Report presents key information on the current state of Medicaid managed care

As required by statute, the Medicaid and CHIP Payment and Access Commission (MACPAC) released its June 2011 *Report to the Congress: The Evolution of Managed Care in Medicaid* on June 15, 2011. Medicaid is a source of health care coverage for 67 million people, more than one-fifth of the U.S. population. This Report continues the Commission's work to provide a better understanding of the Medicaid program, its role in the U.S. health care system, and key policy and data issues to be addressed.

The Commission's June 2011 Report to the Congress is comprised of two major sections. The first section describes what is known about the use of managed care in Medicaid today and includes information on the populations enrolled; Medicaid managed care plan arrangements; payment policy; access and quality; and program accountability, integrity, and data. The second section, MACStats—the Medicaid and CHIP program statistics supplement in the gray-banded portion of the Report—features national and state-level information on Medicaid enrollees, spending, and the use of managed care.

Medicaid enrolls approximately 49 million of its 67 million low-income enrollees in some form of managed care arrangement. States are increasingly relying on comprehensive risk-based managed care when delivering care to Medicaid enrollees; from 1995 to 2009, enrollment in comprehensive risk-based plans increased from 15 percent of Medicaid enrollees to 47 percent. However, traditional fee for service (FFS) continues to be an important component of Medicaid program design and spending; most Medicaid enrollees still receive at least some services through FFS.

States adopt managed care arrangements for a variety of reasons, such as improving care management and care coordination, gaining predictability over spending, and increasing accountability for access to providers, quality of care, and other measures of performance. Several state Medicaid managed care programs focus primarily on children and families, although states enroll about 28 percent of Medicaid enrollees with disabilities into comprehensive risk-based managed care plans.

“Given the complex health care needs and the limited personal resources of Medicaid populations, it is critical to understand the role that managed care plays in delivering care and improving quality for this population,” said Diane Rowland, ScD, chair of the Commission. “This Report assesses where programs are today and helps inform policymakers about ways to improve the Medicaid program in the future.”



Medicaid managed care programs vary considerably among states, as well as within states across different populations and geographic locations. “The term ‘Medicaid managed care’ can have different meanings and definitions depending on the state, or within states that operate different managed care programs,” said David Sundwall, MD, vice chair of the Commission. “This variation will likely continue as states implement a range of managed care programs to address their particular environments, markets, and goals.”

During public deliberations of the Commission, states, beneficiary advocates, and plans addressed the Commission on their experiences with Medicaid managed care and identified key opportunities and challenges. For example, several state officials presented overviews of their current managed care programs and policy objectives for the near future.

In MACStats, the Commission provides data on all Medicaid enrollees but features enrollment, service use, spending, and characteristics of individuals with disabilities. “We highlight Medicaid enrollees with disabilities in our analytic work because these enrollees account for a small portion of Medicaid enrollment but a substantial share of the program’s spending growth,” said Lu Zawistowich, ScD, executive director, MACPAC. “These data will be helpful for the Commission’s future work to examine policies that encourage high quality, efficient care for all Medicaid enrollees, especially for those who have complex medical conditions.”

Established in the Children’s Health Insurance Program Reauthorization Act (CHIPRA) of 2009, MACPAC’s 17 Commissioners were appointed by the U.S. Comptroller General in December 2009, and the Commission received an appropriation in March 2010. In September 2010, the Commission convened its first public meeting and subsequently held six additional public meetings between October 2010 and May 2011. In these public deliberations, the Commission established priorities for its analytic work on Medicaid and CHIP, reviewed the content for the Report, and sought public comment on these issues.

The MACPAC June 2011 *Report to the Congress: The Evolution of Managed Care in Medicaid* can be downloaded from MACPAC’s website at www.macpac.gov.

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MACPAC is the first nonpartisan congressional support agency that is solely focused on issues affecting Medicaid and the State Children’s Health Insurance Program (CHIP). MACPAC was established by the Children’s Health Insurance Program Reauthorization Act (CHIPRA) of 2009. The Commission’s statutory charge requires that the Commission review and advise the Congress on federal and state Medicaid and CHIP policies on issues involving payment; access; eligibility; enrollment and retention; coverage; quality; and interactions of Medicaid and CHIP with Medicare and other components of the U.S. health care delivery system.