



Multistate Collaboration to Increase Capacity



Medicaid and CHIP Payment and Access Commission

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State Administrative Capacity

- MACPAC has previously examined the role of state and federal administrative capacity in managing Medicaid and CHIP effectively
- June 2014 report to Congress identified obstacles faced by states and strategies to strengthen administrative capacity
 - Multistate partnerships were identified as a potentially efficient model to increase capacity
- Commissioners have asked for more information on how states could collaborate

State Collaboration

- State Medicaid agencies collaborate for many reasons:
 - reduce the time and cost to implement new initiatives or comply with new federal requirements
 - gain economies of scale or leverage increased purchasing power
 - share information on programmatic or clinical issues of particular concern to Medicaid
- States share many kinds of information and collaborate through a number of mechanisms

Shared Services

- States can partner to share information technology (IT) services or systems:
 - a state can partner with another state to use its IT system
 - two or more states can jointly develop a new IT system or portion of a system
- States can share in the development and operational costs; federal government also saves
- Can lead to additional opportunities for state collaboration (e.g., policy development)

Joint Purchasing

- States have formed joint purchasing pools to obtain lower prices for prescription drugs
- 2004 federal guidance allows states to form a pool to negotiate lower prices with manufacturers through supplemental rebates
- States continue to maintain their own preferred drug lists and exercise clinical oversight
- States can also work together to negotiate prices for specific drugs (e.g., Hepatitis C treatments)

Partnerships and Third-Party Collaboratives

- States form many voluntary collaborations focused on specific opportunities:
 - staff training
 - evidence-based procurement practices
 - regional data collection and analysis
 - clinical studies
 - quality improvement studies
- Private organizations also sponsor a number of learning collaboratives and other cross-state opportunities

Impediments

- Need for up-front investments
- Technical hurdles
- Loss of state autonomy

Federal Support

- Increased state collaboration can reduce federal costs and ease capacity constraints
- Federal policies encourage, incentivize, and fund state collaboration:
 - Medicaid IT guidelines require states to promote sharing, leverage, and reuse of among each other
 - federally sponsored websites provide states with secure mechanisms to share documents and advice
 - Innovation Accelerator Program offers cross-state learning opportunities on targeted issues



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