Wisconsin Ideas for Sustaining Medicaid with Common Sense Reforms

Wisconsinites with disabilities, their families, and advocates have commonsense, cost-saving and sustainability solutions to ensure the future of Medicaid. We are committed to safeguarding the survival and sustainability of Medicaid for our families and for generations to come.

We call on members of Congress to consider these cost-effective ideas for reform, as an alternative to recent proposals, which would significantly limit access to the critical supports Medicaid provides for Wisconsinites with disabilities.

Negotiate savings for prescription drug costs. Per-capita prescription drug spending in the United States is the highest in the industrialized world, and drug costs continue to increase.1 Wisconsin families and individuals can report medication bills of up to $10,000 a month. The governments of other countries deal directly with drug companies to set prices. By lowering the costs that Medicaid and Medicare pay for prescription drugs, Congress could generate substantial savings to help fund other services. As noted by President Trump last year, Medicare, a huge buyer of prescription drugs, could "save $300 billion a year if it negotiated discounts."[2]

Address social determinants of health. There are many proven non-medical barriers to good health, including housing, transportation, education, employment and access to healthy foods. Other states that have focused Initiatives to address social determinants have reduced health care costs. A housing initiative in Oregon decreased Medicaid spending by 55% for the newly housed. Partnerships among state Medicaid agencies, health systems and community service providers can improve health and reduce medical costs by linking patients to the services they need.[3]

Improve care coordination for Medicaid participants with complex needs who are high utilizers of care. The National Governor's Association Policy Academy noted an opportunity to decrease costs and improve quality by providing coordinated care to patients with the greatest needs, sometimes called "super-utilizers."4 Pilots such as the Camden New Jersey Hotspotters have demonstrated cost savings from providing coordinated and preventive care to Medicaid beneficiaries with complex, unaddressed health issues and a history of frequent encounters with health care providers.[5]

Reduce use of institutional settings and nursing homes, and increase community supports so people with disabilities can remain in their own homes. Community Supported Living is a cost-competitive option for people who would otherwise likely reside in nursing homes, Community-Based Residential Facilities (CBRFs), or Adult Family Homes. The cost of supporting individuals in their own home can be 11%-35% less than serving individuals in 5-8 bed CBRFs.[6]

Use patient-centered metrics to incentivize providers to improve outcomes and curb the rising cost of health care. Oregon's Medicaid reforms include incentive payments for Coordinated Care Organizations, if they meet or exceed performance measure targets such as controlling diabetes and hypertension, cigarette smoking prevalence.[7]

Control administrative costs. A study by the Commonwealth Fund found that administrative costs account for 25 percent of total U.S. hospital spending, and far exceed administrative costs in the 8 other countries in the study. Some studies also have noted the substantial administrative costs incurred by U.S. health insurers and providers, including costs associated with coding, billing, and similar activities.8 By contrast, Medicaid's actual spending per beneficiary has, on average, grown about 3 percentage points less each year than it has for those with private health insurance, according to the Center on Budget and Policy Priorities — a long-term trend that is projected to continue.[9]

Focus on preventative healthcare for people with disabilities in areas of demonstrated need. According to the Centers for Disease Control, people with mobility and intellectual disabilities are at the greatest risk for obesity, with related healthcare costs amounting to $44 billion annually.10 People with developmental disabilities have significantly worse oral health than the general population.[11]

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