Medicaid Managed Care: Improving Patient Care and Achieving Cost Savings for States

Medicaid health plans are at the forefront of implementing systems and programs that provide improved care coordination for almost 27 million low-income beneficiaries across the country. These plans currently provide a variety of services to meet the unique needs of beneficiaries in the program, including programs to coordinate care for beneficiaries with multiple chronic conditions; outreach and education initiatives to promote prevention and healthy living; and efforts to facilitate beneficiaries' access to non-medical support, such as social services or transportation.

Medicaid health plans provide high-quality care to beneficiaries.

- Health plans have a **proven track record** of providing high-quality care to low-income Americans through the Medicaid program.

- Nearly **50 percent** of Medicaid beneficiaries currently get their health care coverage from health plans participating in the program.

- Medicaid health plans currently provide a variety of services to meet the unique needs of beneficiaries in the program, including programs to coordinate care for beneficiaries with multiple chronic conditions; outreach and education initiatives to promote prevention and healthy living; and efforts to facilitate beneficiaries' access to non-medical support, such as social services or transportation.

Medicaid health plans achieve cost-savings for states while outperforming the fee-for-service program on key quality measures.

- According to a Lewin Group **analysis** of 24 state Medicaid Managed Care studies, Medicaid health plans provide **savings of up to 20 percent** compared to the fee-for-service programs.

- In California, the **rates of preventable hospitalization were 38 and 25 percent lower** in health plans’ Medicaid plans than in fee-for-service programs for the Temporary Assistance for Needy Families and Supplemental Security Income populations, respectively, according to the Lewin Group **analysis**.

- The **analysis** also showed that a comparison of drug costs under FFS programs vs. Medicaid health plans in multiple states found that the costs per-member per-month were **10 to 15 percent lower** for health plans than for fee-for-service programs.
Additional resource on Medicaid Managed Care:

- AHIP White Paper: *Medicaid Health Plans: Adding Value for Beneficiaries and States*
- AHIP Medicaid Chartpack